

The Global Newspaper  
Edited in Paris  
Printed Simultaneously  
in Paris, London, Zurich,  
Hong Kong, Singapore,  
The Hague and Marseilles

WEATHER DATA APPEAR ON PAGE 14

# INTERNATIONAL Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

No. 31,848

\*\*R

PARIS, SATURDAY-SUNDAY, JULY 13-14, 1985

ESTABLISHED 1887

## Reagan Is Prepared To Accept Use of Force on Terrorists

By Lou Cannon  
*Washington Post Service*

WASHINGTON — A wide-ranging discussion is under way in the Reagan administration on the risks, benefits and timing of reprisals against international terrorism.

Informed officials said Thursday that the president now believed military force should be a component of the response.

In a related matter, the administration is backing away from its campaign to close the Beirut International Airport and shifting its efforts to negotiating improvements in airport security with the Lebanese government (Page 2).

Informed officials who described the talks within the administration said that many options were being considered, including the bombing of terrorist training sites. Military officials were said to have pointed prospective targets.

"There can be no effective long-term strategy that doesn't include a willingness to use force," a senior administration official said. "The key requirement for that strategy, however, is that the use of that force be in keeping with American values and that it be effective in achieving what you want to do."

[Larry Speakes, the White House spokesman, confirmed that the administration was considering reprisals and that the president "now believes military force should be a component of that response," United Press International reported Friday from Washington.]

The current discussion is remi-



### Fires Rage On in California

A firefighter is doused in Los Gatos, California, near San Jose, to clean off soot accumulated while fighting a 14,000-acre brushfire. Twenty houses have been destroyed and dozens of people evacuated. Fires burned elsewhere in the state, with more than 300,000 acres destroyed this week.



One of the Beirut hijackers met reporters on June 30.

### 3 Suspects Named In TWA Hijacking

The Associated Press

BEIRUT — The state radio said Friday that the government had ordered three men prosecuted in the hijacking of TWA Flight 847.

It named the suspects as Ali Atwa, Ali Yunes and Ahmed Kharbea but it said it had no further information about them or about an unspecified number of accomplices. The radio said nothing about the three being in custody and did not say whether warrants for them had been issued in the June 14 hijacking.

In its 11 A.M. news broadcast, the radio said that the names of the three men had been "referred to the competent judicial authorities" in the Mount Lebanon part of Beirut, which includes the international airport. The news item was dropped without explanation from further broadcasts. Government sources, who insisted on anonymity, said this was done because of instructions "from above."

### Reagan to Have 2d Operation For 'Precancerous' Growth

Compiled by Our Staff From Dispatches

WASHINGTON — President Ronald Reagan will undergo surgery Saturday for a large, potentially precancerous polyp in his colon, a White House spokesman announced Friday.

The spokesman, Larry Speakes, said that the fleshy intestinal growth was believed to be "precancerous" but was still being studied by doctors. It was discovered during an examination of Mr. Reagan's colon Friday at Bethesda Naval Hospital in Maryland.

A smaller benign polyp that doctors had planned to remove during the procedure was taken out without incident, Mr. Speakes said, but the new growth requires more extensive surgery.

If the operation goes as expected, the president will remain in the hospital for a week to 10 days, the spokesman said.

Doctors at the naval hospital, where Mr. Reagan, 74, had gone for what was described as a routine

removal of a benign "pseudopoly" from his colon, found a large polyp.

They said it could not be removed by instruments they were using to probe his intestines and recommended surgery either immediately or in several weeks.

Mr. Reagan, in consultation with his wife, Nancy, chose to undergo the two-hour operation on Saturday, Mr. Speakes said.

Asked if there would be a temporary transfer of power to Vice President George Bush, Mr. Speakes said, "We are prepared for any contingency."

The cabinet and congressional leaders have been informed of the president's condition, the spokesman said. (AP, UPI)

### INSIDE

■ Belgian's interior minister was dismissed by a coalition partner in a debate on the Brussels soccer riot. Page 2.

■ Southeast Asian diplomats expressed satisfaction at U.S. acceptance of their Cambodian peace proposal. Page 5.

ARTS/LEISURE

■ Heard a good book lately? Listening to books on cassettes is catching on in the United States. Page 7.

BUSINESS/FINANCE

■ U.S. inflation slowed in June as energy and food costs dropped. Page 9.

■ Krauss-Maffei AG of West Germany may be taken over for \$50.8 million by a group led by MBB. Page 9.

■ Soviet Ship Returns 37 To Vietnam After Rescue

New York Times Service

GENEVA — Thirty-seven Vietnamese believed to be refugees have been returned to Vietnam by a Soviet freighter that picked them up in the South China Sea, the office of the UN High Commissioner for Refugees said Friday.

Asked if there would be a temporary transfer of power to Vice President George Bush, Mr. Speakes said, "We are prepared for any contingency."

The cabinet and congressional leaders have been informed of the president's condition, the spokesman said.

Doctors at the naval hospital, where Mr. Reagan, 74, had gone for what was described as a routine

removal of a benign "pseudopoly" from his colon, found a large polyp.

They said it could not be removed by instruments they were using to probe his intestines and recommended surgery either immediately or in several weeks.

Mr. Reagan, in consultation with his wife, Nancy, chose to undergo the two-hour operation on Saturday, Mr. Speakes said.

Asked if there would be a temporary transfer of power to Vice President George Bush, Mr. Speakes said, "We are prepared for any contingency."

The cabinet and congressional leaders have been informed of the president's condition, the spokesman said.

Doctors at the naval hospital, where Mr. Reagan, 74, had gone for what was described as a routine

removal of a benign "pseudopoly" from his colon, found a large polyp.

They said it could not be removed by instruments they were using to probe his intestines and recommended surgery either immediately or in several weeks.

Mr. Reagan, in consultation with his wife, Nancy, chose to undergo the two-hour operation on Saturday, Mr. Speakes said.

Asked if there would be a temporary transfer of power to Vice President George Bush, Mr. Speakes said, "We are prepared for any contingency."

The cabinet and congressional leaders have been informed of the president's condition, the spokesman said.

Doctors at the naval hospital, where Mr. Reagan, 74, had gone for what was described as a routine

removal of a benign "pseudopoly" from his colon, found a large polyp.

They said it could not be removed by instruments they were using to probe his intestines and recommended surgery either immediately or in several weeks.

Mr. Reagan, in consultation with his wife, Nancy, chose to undergo the two-hour operation on Saturday, Mr. Speakes said.

Asked if there would be a temporary transfer of power to Vice President George Bush, Mr. Speakes said, "We are prepared for any contingency."

The cabinet and congressional leaders have been informed of the president's condition, the spokesman said.

Doctors at the naval hospital, where Mr. Reagan, 74, had gone for what was described as a routine

removal of a benign "pseudopoly" from his colon, found a large polyp.

They said it could not be removed by instruments they were using to probe his intestines and recommended surgery either immediately or in several weeks.

Mr. Reagan, in consultation with his wife, Nancy, chose to undergo the two-hour operation on Saturday, Mr. Speakes said.

Asked if there would be a temporary transfer of power to Vice President George Bush, Mr. Speakes said, "We are prepared for any contingency."

The cabinet and congressional leaders have been informed of the president's condition, the spokesman said.

Doctors at the naval hospital, where Mr. Reagan, 74, had gone for what was described as a routine

## U.S. Senators Approve South African Sanctions

### 'Angry' House Widens Aid to Anti-Marxists

By Steven V. Roberts  
*New York Times Service*

WASHINGTON — The House of Representatives has approved a \$12.6-billion foreign aid bill that appears to reflect a growing determination on Capitol Hill to confront Communist and other leftist governments around the world.

The legislation authorizes new aid for guerrillas battling the Marxist governments in Cambodia and Afghanistan, and it lifts a nine-year ban on help to insurgent forces in Angola.

Last month, the House reversed earlier votes and supported renewed aid to forces seeking to topple the leftist government of Nicaragua.

Vin Weber, Republican of Minnesota, summed up the mood: "Members of Congress don't want to look weak right now."

Michael D. Barnes, Democrat of Maryland, added: "It's sort of an angry mood around here. Who can we stick it to next?"

The bill was approved in a voice vote as lawmakers sought to avoid a recorded vote that could prove politically troublesome in the future.

The Senate has approved a \$12.8-billion foreign aid bill and a conference will be needed to reconcile the two versions.

The action Thursday means that Congress is now likely to approve its first foreign aid bill since 1981. In recent years such legislation was swamped by a number of highly emotional issues and Congress found it easier to finance foreign aid programs through catchall spending bills that avoided controversy.

However, the Reagan administration opposed the bill offered Thursday, raising the possibility that the president might veto whatever compromise emerged from a conference.

The White House said the measure placed too much emphasis on economic assistance and not enough on military aid. In addition, the administration is upset by a provision that would bar Jordan from receiving advanced weapons unless the president certified that the Jordanian government was ready to recognize Israel and enter into peace talks with it.

The bill adopted Thursday outlines \$12.6 billion in foreign aid programs for the fiscal years 1986 and 1987. Appropriations in a later bill would be needed to finance those programs.

Many conservatives swung behind Thursday's bill after several amendments that moved the legislation toward the right.

Mr. Weber, a leading conservative in the House, said: "It's a change in policy in the right direction. We're really enunciating a Reagan doctrine in the Congress — that we will support resistance movements around the world."

He added that, with President Ronald Reagan in the White House, Republicans had a greater responsibility to support foreign



### Economic Moves Aim At Apartheid

By Jonathan Fuerbringer  
*New York Times Service*

WASHINGTON — The Senate has approved legislation imposing economic sanctions on the government of South Africa. The vote was 80-12.

The action Thursday evening means that it is likely that Congress, for the first time, will approve sanctions aimed at forcing the South African government to ease apartheid.

Such a move would be a major rebuff for the Reagan administration, which has followed a policy that it calls constructive engagement. The policy intends to seek change in South Africa's racial policies by diplomatic persuasion, not by confrontation.

The Senate bill would ban new bank loans to the government; the sale of computers to agencies, such as the police, that enforce apartheid; and the sale of goods used in nuclear production.

The bill also requires American companies with 25 or more employees to follow the Sullivan principles, a set of guidelines named for the Reverend Leon H. Sullivan of Philadelphia, who would require them to offer blacks the same treatment as whites in housing and employment.

The House has already approved a package of tougher sanctions, including bans on new investment by American companies in South Africa, on U.S. loans to the South African government, on the importation of South African gold coins, on the sale of computers to the South African government and on the sale of goods used in nuclear production.

The administration strongly opposed the bill. (Continued on Page 2, Col. 3)

### Boy Scouts vs. the IRS Council Is at War With Computer

By Sue Anne Pressley  
*Washington Post Service*

WASHINGTON — The leaders of the Bucktail Council of Boy Scouts in Dubois, Pennsylvania, are learning patience, (Continued on Page 2, Col. 5)

records that he said, show the payments have been made on time and accurately. He has the canceled checks to prove it, he said.

The IRS computer says otherwise.

Four days after Mr. Krofina went to work with the Bucktail Council in June 1984, he received four statements from the IRS, notifying him that the council was delinquent and had overpaid or underpaid thousands of dollars. Mr. Krofina said he immediately sent documents to straighten out the mix-up and forgot about it.

In July, however, he received a check for \$2,662 made out to the Bucktails. Mr. Krofina returned the check.

In August came a bill for back taxes of 2 cents, with an added penalty of \$153. Mr. Krofina's accountant has

## Panel's Report Card: Japan Schools Need Reform



Students and teachers exchanging bows after an 11th-grade math class in Hiroshima.

add that it even gets under way in earnest.

Few domestic matters raise more passions than the debate over how Japan should educate the 27.8 million people who attend its 58,150 schools, from kindergartens to universities.

Some politicians believe that Mr. Nakasone has maintained a consistently high popularity level, in part by his close identification with this issue. Conversely, his political opponents have attacked him steadily for wanting to alter the school system, whose basic structure was imposed on Japan after World War II by occupying U.S. forces.

regarded in some quarters as code words for returning Japan to its aggressive prewar nationalism.

Even within the panel, a few members expressed disappointment, criticizing the report anonymously in the press. "It is drawn up to make ends meet after being pushed by a political schedule," one person was quoted as having said.

Michio Okamoto, the council's chairman, rejected suggestions of a political agenda. "There is a deep-rooted education," and to the need for student "understanding of Japanese culture and traditions." Although culture and tradition are often cited as reasons for the educational system's strengths, such phrases are often used to describe the system's weaknesses.

According to the panel, Japan needs schools that emphasize student individuality, that foster diversity and that provide for a more flexible curriculum than the one now enforced with strict-like firmness by the Ministry of Education.

For the most part, specific reforms were avoided, a point noted disapprovingly by the report's critics. The few suggested changes included proposals that would enable vocational school graduates to enter college and that would eliminate one level of test-taking by merging the present system of a

(Continued on Page 3, Col. 1)

## Belgian Calls For Minister To Resign in Soccer Riot



Charles-Ferdinand Nothomb

BRUSSELS — Interior Minister Charles-Ferdinand Nothomb was dismissed Friday by a key coalition partner in a parliamentary debate on the May 29 European Cup Final soccer riot in which 38 fans died.

The minister, under mounting pressure to resign over security failure at the Heysel Stadium, criticized British society, which he said condoned hooliganism and was responsible for "this calamity for the victims and our country."

But the floor leader of the French-speaking Liberals, Robert Henrion, said he would vote to adopt a committee of inquiry report critical of Mr. Nothomb and urged the minister "to do the honorable thing."

He was particularly critical of Mr. Nothomb's personal aides, who he said had colluded in a cover-up with gendarmerie chiefs a week after the rioting to lie to parliament as to exactly when an emergency command was set up.

Mr. Henrion was applauded by Prime Minister Wilfried Martens, who has so far not made any attempt to defend Mr. Nothomb, a Social Christian and one of four deputy prime ministers in the ruling four-party coalition.

Mr. Martens' office said that there were no plans at present for him to speak in the parliamentary debate, which was likely to last most of Saturday.

The atmosphere in parliament was tense. Political sources said Mr. Nothomb was apparently still hoping that the threat of a government crisis caused by the withdrawal of the Social Christian Par-

ty from the cabinet would ensure his survival.

The prime minister and Mr. Nothomb are respectively from the Flemish and French wings of the Social Christian Party. The coalition also includes the Liberal Party and the Freedom and Progress Party.

Earlier, Mr. Nothomb launched a stinging attack on British society. "Today I will speak out severely about the collective responsibility of English society, which tolerates this violence, which accepts it, which tries to channel it without wanting to eliminate it," he said.

He added, "A certain number of clubs accept this violence as a part of the sporting spectacle, and even of their club's trademark."

A report by a parliamentary inquiry said that British fans caused the deaths when they charged Italian Juventus supporters.

But it also said that serious errors by the Belgian and European soccer authorities and the paramilitary gendarmerie contributed to the tragedy, and concluded that Mr. Nothomb must be considered responsible for shortcomings in security.

## Britain Protests Sale of Uranium to Israel

*The Associated Press*

LONDON — Britain said Friday that it had protested to Luxembourg for selling British-made depleted uranium to Israel.

European Community officials said this week that the uranium had nuclear weapons potential, but British authorities said that this was unlikely.

Luxembourg said the International Atomic Energy Agency in Vienna had sent exports to Israel who ascertained that the material was not being used in weapons.

A spokeswoman for the department of energy in Britain said the 40 tons of depleted uranium were sold last fall by the state-owned British Nuclear Fuels Ltd. to Lux-

embourg, which said it was to be used in steelmaking.

She said: "When it was shipped from Britain, it was under the clear understanding that it would be used for special steelmaking in Luxembourg. It was shipped under safeguards, and we did not know what was meant for transhipment to Israel."

She said the transhipment was discovered by Euronet, the EC's atomic agency, during routine monitoring of British sales of depleted uranium.

In Luxembourg, Foreign Minister Jacques Poos said that authorities had informed the EC and the International Atomic Energy

## U.S. Plays Down Beirut Airport Boycott

By David B. Ottaway  
*Washington Post Service*

WASHINGTON — The Reagan administration is backing away from its campaign to close the Beirut International Airport and shifting its efforts to negotiating improvements in airport security with the Lebanese government.

The White House spokesman, Larry Speakes, said Thursday that the administration had discussed specific security steps with the Lebanese government, including a ban on all militias at the airport, a ban on all weapons and an "effective" security force to maintain control there.

"We're indicating to them what we want, and they're claiming they're taking some steps," Mr. Speakes said.

The administration had previously focused on ways to close the airport, mainly through an international boycott. But Mr. Speakes made no mention of this effort Thursday and indicated that adequate security measures would satisfy the United States.

The Beirut press reported Thursday that among the steps the United States had suggested was the stationing of several hundred United Nations troops at the airport. But the Lebanese ambassador in Washington, Abdullah Bouhabib,

said his government had not decided to ask the world body for such help.

Mr. Bouhabib also said that U.S. officials had initially told him that he would prefer to see the various Lebanese militias acting together to safeguard the airport "and thus not have us go forward on our own." He added that the United States was ready to work with its European allies, "although there's a division still there as to how far they want to go to take action."

A senior administration official said the United States was getting far more private support than public support from its European allies. "The reason that the Lebanese are being responsive is that we are getting this private support," he said.

The plan, worked out under Syrian guidance in Damascus, calls for disarming the militia forces, setting up a security coordinating committee of their leaders with Syrian observers and establishing a 5,000- to 10,000-man Moslem-Christian army unit to assure security in West Beirut and at the airport.

The administration's public shift from its announced objective came as Vice President George Bush indicated that there was a "division" among the United States' European allies over whether to follow the American lead in boycotting the Beirut airport and canceling land-

ings rights for Middle East Airlines. Speaking at a National Press Club luncheon, Mr. Bush said that he would prefer to see the various Lebanese militias acting together to safeguard the airport "and thus not have us go forward on our own."

He added that the United States was ready to work with its European allies, "although there's a division still there as to how far they want to go to take action."

A senior administration official said the United States was getting far more private support than public support from its European allies. "The reason that the Lebanese are being responsive is that we are getting this private support," he said.

The periodic shutdown of the Beirut airport, where 30 foreign airlines once operated regularly and which provides a livelihood for an estimated 20,000 Lebanese families, has jarred the country economically and politically. It also has taken a psychological toll on individual Lebanese.

"When the airport is closed, I feel I am suffocating, even if I don't want to travel anywhere," Lounis Salimian, a secretary, told The Washington Post in Beirut.

■ Security Committee Meets A Syrian-backed security com-

mittee to end anarchy in West Beirut held its first working meeting Friday, but explosions killed two persons, including a Syrian, and wounded eight. United Press International reported from Beirut.

Lebanese government sources said two ranking Syrian Army officers would later join the security committee. Official reports from Damascus said the two officers were heading for Beirut to supervise the carrying out of a plan to end a decade of fighting. The plan was agreed to by Moslem leaders in the Syrian capital on Monday.

In its first working session the committee agreed to divide West Beirut, which is mainly Moslem, into five security zones under the direct supervision of five Syrian observers, Lebanese field officers and representatives of the main Moslem militias.

The meeting agreed to order all militia offices apart from the headquarters to close and all armed militiamen to withdraw from the streets starting Saturday, said a source at the session.

Under the Syrian-backed peace plan, the Beirut airport will be one of the main security zones and will be under the control of a 500-man strike force of Lebanese police, soldiers and Syrian observers to be set up Saturday, the source said.

## WORLD BRIEFS

### Engines Shut; Shuttle Launch Aborted

CAPE CANAVERAL, Florida (AP) — The engines of the space shuttle Challenger ignited, then shut down three seconds before its scheduled liftoff Friday. The National Aeronautics and Space Administration launch control said the ship and crew were safe.

"We don't know what the anomaly was," Jim Ball, of the launch control staff, said. The seven-day mission was carrying \$72 million worth of scientific instruments, including a West German-built system to point sensitive equipment in astronomical experiments with accuracy never achieved before.

It was not known immediately whether all three of the shuttle's engines, which are fired 120 milliseconds apart, had ignited. The ship's two big solid rocket boosters did not ignite. It was the second time in 19 launches that a shuttle liftoff had been stopped after the engines were ignited. The first time was on June 26, 1984, when the maiden launch of the shuttle Discovery was aborted four seconds before liftoff.

### Vienna Urges Bonn to Lift Wine Ban

VIENNA (Reuters) — Chancellor Fred Sinowatz of Austria has appealed to Chancellor Helmut Kohl of West Germany to lift a boycott of Austrian wines, a spokesman said Friday.

Bonn said Thursday it had impounded thousands of bottles in a hunt for wine mixed with an anti-freeze chemical for taste and strength. The spokesman said the Austrian leader assured Mr. Kohl by telephone and letter that all exported wine had undergone special checks since April, when it was learned that some had been mixed with diethylene glycol, which can cause paralysis.

In the Netherlands, the government advised anyone who drank at least half a bottle of Austrian wine this week to consult a doctor.

### Dutch Give Ultimatum to South Africa

THE HAGUE (Reuters) — The Netherlands will withdraw its ambassador to Pretoria if it does not get satisfaction from South Africa over the recapture of a Dutch detainee from its embassy, Foreign Minister Hans van den Broek said Friday.

The Netherlands has demanded an apology and disciplinary action against the three South African policemen involved as well as assurances that such incidents will not recur. Mr. van den Broek has also insisted that the detained, Klaas de Jonge, 47, be returned to the Dutch Embassy, according to the Foreign Ministry.

After South Africa's ambassador to The Hague, David Louw, handed note to the Foreign Ministry responding to the demands, Mr. van den Broek said in a television interview: "So far, we have received only unsatisfactory answers to the questions we asked. If the answers remain the same, I shall be forced to take diplomatic measures in the form of recalling the ambassador."

### Suspects Held in Kuwaiti Bombings

KUWAIT (AP) — Several suspects have been arrested in the bombing of two seaside cafés in which at least eight persons died and 89 were injured, Kuwaiti officials said Friday. Earlier reports had put the death toll at 11; the Kuwait News Agency said the confusion resulted from the condition of the mutilated bodies.

In a call to the Paris headquarters of the French news agency Agence France-Presse, a caller claiming to represent the Organization of Arab Revolutionary Brigades said that the organization carried out Thursday's bombings.

A Kuwaiti official said that the two time bombs, each 55 pounds (25 kilograms) of TNT, were left under chairs on grass near the cafés. Other officials said an unspecified number of Shiite Moslem suspects had been rounded up. There are about 200,000 Shiites in Kuwait, including about 140,000 workers from Iran, Iraq and Lebanon.

### Iraqi Missile Hits Turkish Tanker

BAGHDAD (AP) — Iraqi planes fired an Exocet missile into the Turkish supertanker M. Ceyhan on Friday, setting it ablaze in the Gulf near Iran's Kharg Island oil terminal, marine salvage experts reported.

Bahrain-based maritime salvage sources said the 226,145-ton Turkish ship was abandoned by its crew "after the missile blast ignited a huge fire in the stern section." The sources said the M. Ceyhan was raided at dawn about 100 miles (160 kilometers) south of Kharg very near the spot where another Turkish supertanker, the M. Vatan, was raided on Tuesday.

Both tankers belong to the Turkish shipping company Cerrahogullari T.A.S. of Istanbul and were on their way to Iran to shuttle crude oil from Kharg to the makeshift Sirri Island terminal, out of range of Iraqi planes. The Iraqi military command said the planes inflicted an "accurate and effective hit" and returned safely to base.

### For the Record

Spanish air traffic controllers have called off plans to stage work slowdowns during busy summer weekends, their association president said in Madrid on Friday.

Venetian officials signed an agreement Friday with a consortium of major Italian companies for the first phase of a project costing \$24 billion (about \$12.25 million) to protect Venice from flooding.

Bernard Tapie, a French businessman who heads more than 40 companies, has been charged with currency control violations. Paris court officials said. He was accused of illegally trading 1.5 million French francs (\$170,000) to Switzerland from 1978 to 1980.

Admiral Hyman G. Rickover, 85, who directed the U.S. Navy's program for nuclear vessels, suffered a stroke July 4 but is in stable condition at Bethesda Naval Hospital outside Washington, a spokesman for the U.S. Navy said Thursday.

Sir Geoffrey Howe, the British foreign secretary, expressed disappointment Friday at Argentina's refusal to agree to a reciprocal lifting of bans on imports. He said that sovereignty over the Falkland Islands, which provoked war between the two nations in 1982, was not subject to discussion.

President Antonio Ramalho Eanes of Portugal dissolved parliament on Friday and called general elections for Oct. 6.

### Ulster Protestant Marches End Without Serious Clashes

BELFAST — Sporadic violence broke out across Northern Ireland Friday during Orange Day parades.

The annual outpouring of Protestant fervor to celebrate a 295-year-old defeat over a Catholic king.

Police said 21 policemen were injured and 11 persons arrested in clashes linked to the parades to mark the Battle of the Boyne.

The worst violence occurred in Portadown, 25 miles (40 kilometers) southwest of Belfast, where, for the first time in 150 years, police barred Protestants from marching through a sensitive Roman Catholic district known as "The Tunnel."

More than 600 police, backed by soldiers, came under repeated barrages of rocks, bricks and bottles as they guarded either end of the Oban Street neighborhood, where about 70 Catholic families live.

Police fired plastic bullets to disperse gangs of Protestant youths. At least three policemen were injured in the clashes, and two persons were arrested.

Fighting flared in about 20 cities and towns earlier in the day.

A Belfast police spokesman said that, with the exception of Portadown, the parades passed off peacefully.

The Orange Day parades commemorate the defeat of King James II's Catholic army by William of Orange's Protestant forces in the Battle of the Boyne on July 12, 1690.

Numerous celebrations organized by the fiercely pro-British Orange Order are held throughout Northern Ireland in July, climaxing with the big Orange Day parades July 12.

Catholics, outnumbered 2-to-1 by Protestants, have long complained that the parades are provocative and there is growing sentiment in British and Irish government circles to curb them.

But in London, Lord Fitt, a leading moderate Catholic, argued in the House of Lords on Friday that the parades are "provocative and provocative."

"Every terrible crisis we have seen or witnessed over these past 21 years has been preceded by demonstrations or banning of some description," said Lord Fitt, a former member of the House of Commons for Belfast.

Arnold Mi  
During Re

Japan Comm  
In Criticism o

(Continued from Page 1)

Japan Comm  
In Criticism o

(Continued from Page 1)

Japan Comm  
In Criticism o

(Continued from Page 1)

Japan Comm  
In Criticism o

(Continued from Page 1)

Japan Comm  
In Criticism o

(Continued from Page 1)

Japan Comm  
In Criticism o

(Continued from Page 1)

Japan Comm  
In Criticism o

(Continued from Page 1)

Japan Comm  
In Criticism o

(Continued from Page 1)

Japan Comm  
In Criticism o

(Continued from Page 1)

Japan Comm  
In Criticism o

(Continued from Page 1)

Japan Comm  
In Criticism o

(Continued from Page 1)

Japan Comm  
In Criticism o

(Continued from Page 1)

Japan Comm  
In Criticism o

(Continued from Page 1)

Japan Comm  
In Criticism o

(Continued from Page 1)

Japan Comm  
In Criticism o

(Continued from Page 1)

The engines on the space shuttle were safe, said Jim Bell, of the German-built system and instruments with accuracy to one part in three seconds before lift-off.

In an interview with U.S. News & World Report magazine, however, Mr. Peters claims that "everybody talks quality, but most of that is lip service." He adds that "the staffs of the Fortune 500 companies are still hopelessly bloated despite cuts of 40 to 50 percent" and there is "still too much of a tendency to look to the government for solutions as opposed to looking to the work force."

The major failure of American business is seeing the employee as part of the problem instead of as part of the solution," Mr. Peters says. In most speeches by corporate chiefs, "you still pick up automation" rather than retraining and redeployment of the work force as the salvation of business."

Mr. Hague, David Low, has gone to the demands. Mr. Low, we asked, if the answer was no, would he consider returning to the Dutch

Short Takes

One of the most popular displays at the Smithsonian Institution in Washington is "TV Trivia," which includes Archie Bunker's chair, J.R.'s 10-gallon hat from "Dallas" and Mister Rogers' sweater. The master of the museum complex, Robert McCormick Adams, says, however, that the ideal museum artifact should be chosen "not because it is instantly recognizable, but because it will continue to evoke rich images and associations when no one is left who recognizes it." TV Trivia accordingly will "grow only slowly."

**Shorter Takes** Pittsburgh has opened a 1.1-mile (1.8-kilometer) subway, apparently the shortest in the country, consisting of three downtown stations. An additional nine miles of surface tracks are planned. ... San Diego, Chicago, Miami and Atlanta already are contending to play host to the 1988 Republican national convention. San Diego, which could stage a far-flung tribute to President Ronald Reagan in his home state, is an early favorite. ... Americans bought \$2.8 billion worth of electronic anti-burglar alarm systems last year; the figure is expected to climb to \$3.5 billion.

Compiled by ARTHUR HIGGINS

Arthur Higgins

Turkish Tanker

After an intense search,

the Turkish freighter

was found

in the Indian Ocean

and the crew

was rescued

from the

water

on July 14.

Shuttle Launch

Shuttle launch

on July 14.

# INTERNATIONAL HERALD TRIBUNE

Published With The New York Times and The Washington Post

## A Chance to Stand Firm

President Ronald Reagan is backing out of the saloon with his rhetorical guns blazing, but the fireworks cannot hide the fact that he is backing away from dealing with airline safety just when he should be standing firm.

There is every reason for dignified anger. An American sailor was beaten and murdered aboard the hijacked TWA plane last month and his murderers are at liberty near Beirut. Four other Shiite hijackers who killed two Americans aboard a Kuwaiti airliner last December were ostentatiously seized by authorities in Iran but were never tried or extradited. Besides the 39 Americans who were held hostage in Lebanon, seven kidnapped Americans have been held there for up to 16 months. Yet instead of mobilizing opinion and action to deal with these offenses, Mr. Reagan confuses the subject by inveigling broadly against "a confederation of terrorist states."

You do not have to deny U.S. grievances against Cuba, Nicaragua, North Korea and Libya to see that their governments, although sometimes allied, each present different challenges that are also distinct from those of Iran, Lebanon and Syria. Nor need you deny their attacks on America to preserve distinctions that Mr. Reagan blurs: between terrorism and civil war, guerrilla war and aggression.

If Cuba is to be indicted for encouraging terror against the United States, it needs at least to be remembered that the United States sponsored an invasion of Cuba and many plots to assassinate its leader. If Nicaragua is guilty of terror against its neighbors and deserves, in Mr. Reagan's words, "the full weight of the law," why has he refused the invitation to

make that case before the World Court? And if Libya's indisputable outrages against many nations so deeply perturb the United States, where is the campaign to close its gun-laden embassies or to boycott its oil-drain war chest?

The sad truth is that instead of exploiting the universal interest in airline safety and hijacking, Mr. Reagan has yielded to allied and Arab protests, quietly softened his sanctions against the Beirut airport and loudly tried to change the subject.

All violence is deplorable; all terrorism is unacceptable. But all offenders do not have a single inspiration, and all offenses do not have a single remedy. Six hijacker-murderers of Americans are at large, many airports are lax on security and many governments are insufficiently aroused by hijackings to erect an effective defense. These problems should transcend most nations' politics. What a chance to satisfy Mr. Reagan's desire for collective and unilateral action, justified in law.

Hijacking and harboring hijackers are outlawed by international air conventions. Nations that shelter hijackers disqualify themselves for air traffic. Governments that let their planes fly to such nations subvert agreements they solemnly signed, and put all travelers at risk. As Mr. Reagan proved with Greece, one word from the White House that a nation's airport or policy jeopardizes travelers and it will soon feel the economic sting.

An America that wants hijacking resisted has a rare chance to separate air travel from all other political calculations. Mr. Reagan now has a chance to be smartly tough.

— THE NEW YORK TIMES.



## A Blow to the Credibility Of Presidential Discourse

By Philip Geyelin

WASHINGTON — A recent headline in The Washington Post asked, "What Happened to Reagan's Gunsmiling?" The short answer is that he got elected president. Fiction, which is all the gun-slinging role was, gave way to fact; campaign image yielded to reality. In the thick of the recent hostage crisis, the president of the United States worked out his frustrations by pounding "a few walls."

That is par for most presidents. The solutions to the world's problems look a lot simpler on the hustings than they do on the job. But one of the most important ways in which Ronald Reagan is distinctive from most presidents is that his adjustment to the realities of office lasts only as long as the challenge at hand. Just when you think you are beginning to see a new, eyes-wide-open Reagan, the old role-playing Reagan is back.

President Reagan's extraordinary address to the American Bar Association last Monday was a perfect case in point — yet another of the familiar flashbacks that have consistently made it difficult for adversaries as well as allies to find coherence and credibility in his conduct of foreign policy.

It was the old, pre-presidential

Reagan acting as if he had already forgotten the lines — not to mention the plot — of the nonfiction role he had just played as president in the saga of the TWA hijacking.

In his press conference a little more than three weeks ago, he was peering through blurred lenses at the problem of the still missing seven American hostages. "It is an extremely difficult, seemingly impossible task . . . with all the factors there, to know . . . what we can do," he had to admit. When the questioning came around to retaliation, he talked gunsmiling talk, but he wasn't ready to draw. "You can't just start shooting without having someone in your sights," he caustically. The problem was "to know who is perpetrating these deeds."

The whole thing about terrorism was "the very fact that the terrorists are not all from one source." It would be one thing if "they could all be linked to a country, if you knew the source and what they were trying to do. But we have got a variety of terrorist organizations."

That was in mid-crisis. On June 18, Last Monday the seven remaining American hostages were still beyond reach, but the survivors of TWA 847 were home and the media storm had broken. Ronald Reagan could see clearly now.

No longer was there anything diffuse about the threat of terrorism. No longer was there any question about who was "perpetrating these deeds." Still less was there any "variety" among terrorist groups or any difficulty in establishing the ties that bind what Mr. Reagan called a "confederation of terrorist states" — Iran, Libya, North Korea, Cuba and Nicaragua.

Mr. Reagan professed not even to know the "sources" of terrorism three weeks ago, or "what they were trying to do." On Monday the "goals and objectives" of this new "international version of Murder, Incorporated" were all the same.

As one, they share a simple, criminal phenomenon — their fanatical hatred of the United States, our people, our way of life, our international stature." And their objective — whether their dirty work is done in Burma, Spain, West Germany, France, Italy, Kuwait, Central America or Beirut — is aimed in almost every instance at the worldwide interests of America.

At the root of a lot of this, of course, is the "Soviet Union's close relationship with almost all of the terrorist states." The Soviet Union, then, is an accomplice to a global campaign whose real goal is "to expel America from the world."

This overwrought analysis is shared by few experts on terrorism. It is accepted by none of America's principal allies who have had to deal with terrorism on their own territory. It was not shared by Ronald Reagan under the gun of terrorism three weeks ago.

For him to frame the problem in such grossly oversimplified terms now is to trivialize it, the more so when he declares that Americans are "not going to tolerate" attacks from "outlaw states run by the strangest collection of misfits, Louie Tunes and squid criminals since the advent of the Third Reich." (Laughter and applause.)

Fidel Castro replied by calling President Reagan a madman, an imbecile, a bumb. This is the world of the White House communications director, Pat Buchanan. Ronald Reagan cannot expect to be taken seriously in the real world until he raises presidential discourse a notch or two above this level.

Washington Post Writers Group.

## Gorbachev Stalemated In Poland

By Chalmers M. Roberts

WASHINGTON — Poland resists rebellion — yesterday open rebellion, today silent rebellion. Solidarity, the amazing labor movement, is pretty well smashed, with some of the reforms it advocated being carried out by the new official trade unions. But the spirit behind Solidarity is very much alive.

The Roman Catholic Church, with which Solidarity is entwined, seems both more powerful and more defiant than ever. Today's Communist regime in Warsaw is a military junta, but it has less control over the population than that exercised by many a junta in the Third World.

The church used to worry about "captive minds" among the young, but no longer. Now, says a former Solidarity activist who reflects the views of Cardinal Josef Glemp, the problem is what to tell the public about the future, because people have no sense of having any influence on things beyond their private sphere.

Despair has brought an increase in alcoholism and, most recently, in drug addiction to a substance made from local poppies. Church sources estimate that already some 50,000 young people have been "lost" to such drugs, with another 200,000 to 300,000 also using them.

The economy is described by many as in ruins. Corruption is rampant. The American dollar is openly a key currency on the streets of Warsaw and other cities. Cab drivers accept dollars willingly, and waiters in the official tourist hotels openly suggest that you pay your bill in dollars, not zlotys, a transaction by which they make a fine profit. The official rate when we were there was around 134 zlotys to the dollar, but the street rate varied from 500 to 800 or more.

The government condones all this, seemingly helpless to fight it; besides, the bills help meet Poland's desperate need for hard currency. These black marketers, we hear, use their big profits to buy such scarce items as auto or apartments for their children, the latter costing as much as a million zlotys. Traffic cops have a reputation for taking payoffs on the spot for minor infractions.

But all this pales in significance next to the dynamism, vibrancy and influence of the church. Pope John Paul II may seem conservative, but to the Russians he is a radical threat, while in his native Poland he is the supreme symbol of hope.

To go on a Sunday morning to Mass at St. John's Cathedral in Warsaw is to sense this. To stand outside in the jammed street, listening to the service in Polish over loudspeakers, is unforgettable. To see a few blocks away the waiting militia, their water-cannon vehicles and paddy wagons at the ready, adds to the tension.

To know that the priest this day is using the 50th anniversary of the death of Marshal Josef Pilsudski, the Polish patriot who fought both the czar's troops and the Red Army, as a vehicle for a sermon on patriotism is to realize how effectively religion can be used for political purposes.

To hear the solemn singing of the ancient verses of "God, give us back our homeland" as every man, woman and child thrusts forward the fingers of their right hands in the V for victory sign is a spine-tingling experience.

Then to cross the city to a crowded Mass at the modest church of Father Jerzy Popieluszko, the young priest murdered by security agents and whose grave in his churchyard has become a hallowed shrine, is to feel again the resistance, the Polish defiance of the Soviet will.

From the train windows all across Poland, from the East German border to the Soviet border, you see a nearly continuous panorama of small privately owned farms. The farmer holds the plow, the wife handles the reins of the family horse and children walk behind dropping seed after seed. There are few tractors for these farmers and more for the small amount of acreage that is collectivized. But the private land, like the church, is fiercely defended, and efforts to change the system, so often urged by Moscow, go nowhere.

Wojciech Jaruzelski is locked in a Catch-22 situation with the Russians, the church and the public.

Diplomats say he sees himself as a Polish gentleman and a patriot. At this spring's Warsaw Pact meeting in his capital, which brought Mikhail Gorbachev there for the first time as head man, the ramrod-straight general insisted on a one-on-one meeting rather than, as the Russians were said to have suggested, a Gorbachev meeting with the entire Polish Politburo.

To show that he got his way, General Jaruzelski later announced that he had "reported" to the Politburo on his talk with Mr. Gorbachev.

Statemate perhaps best describes the current state of Soviet-Polish relations. Changing that certainly will be one of Mr. Gorbachev's toughest tasks, should he decide to try.

The writer, who recently visited Poland, is a retired diplomatic correspondent for The Washington Post.

## Sounding Off Doesn't Hurt Terrorism

By Flora Lewis

PARIS — President Reagan's diatribe against "a confederation of terrorist states" that he said were engaged in "acts of war against the government and people of the United States" may have relieved his pent-up emotions, but it stained his statesmanlike management of the Beirut hostage crisis.

His speech on Monday before the American Bar Association did just what he warned should not be done.

It served to magnify terrorists into crusaders for a world cause, giants instead of gnats stinging solid nations preevily and ineffectually.

"Freedom itself is the issue," President Reagan said. The attacks "form a pattern of terrorism that has strategic implications and political goals." He blamed "totalitarian states" and a "confederation of criminal governments." And "all of these states are united by one simple, criminal phenomenon — their fanatical hatred of the United States, our people, our way of life, our international stature."

This is intoxicating stuff for hijackers, supporters and would-be imitators, and a far greater reward than the release of prisoners detained in Israel who were to be sent home anyway. It must surprise America's adversaries that driving a superpower into frenzy can be so easy, as it puzzles and worries friends who do not consider opposition to U.S. policies necessarily "criminal" or "fanatical."

Mr. Reagan listed Iran, Libya, Cuba, Nicaragua and North Korea, pointedly omitting Syria, which has indeed harbored and aided terrorists but which helped resolve the Beirut incident and is being asked to help free remaining hostages.

Such a broadside can encourage foes by defining a cheap, relatively safe way to mobilize anti-American urges, rather than constraining them to recognize their own interest in suppressing terrorism so as to keep the advantages of membership in the international community.

Above all, such talk impedes any real chance of coming to grips with the specific problem. It does not clarify anything, as Mr. Reagan claimed. Instead it politicizes the

issue, befuddles people and drives them to ever wilder notions of what can and should be done.

Letters from readers show a sharp division of opinion, with both sides equally unrealistic. Some, inflamed and bloodthirsty in rhetoric if not in intent, demand: "Wipe terrorism out, once and for all."

Some, provoked and empathetic with all malcontents, rail against the "hypocrisy" of denouncing terrorism when the country doing the denouncing mines Nicaraguan harbors, lobes 2,700-pound shells on Lebanon from the battleship New Jersey and supplies states around the world with the engines of war.

As if a few bombs would rid the world of suicidal maniacs, or even pinpoint them. As if "understanding" — willingness to listen — and restraint in using force would end conflict and relieve all grievances.

These all-or-nothing attitudes are two sides of the same false coin, intensified by an understandable but unthinking response to frustration. Indulging the fury for the instant only heightens the feeling of impotence, when the task of leadership should be to find effective action and explain it.

Curing international ills is not easy but it is possible, if the subject is well defined and the measures are appropriate. Mr. Reagan has the example of piracy on the high seas — not totally eradicated, as Vietnamese boat people can testify, but removed as a general menace.

In another field, wiping out the ancient scourges of plague and smallpox was an example of fruitful international cooperation. The striking successes of the World Health Organization are too often overlooked when the United Nations system is attacked for failures.

Ending piracy did not end war or other forms of international violence. Preventing plague and smallpox did not prevent all disease. But those were good campaigns that spared lives and made the world safer in a useful way. Targeting terrorism could bring results, too, but

not if the attempt is made in terms of "wreckage" of "outlaw states" or of "addressing the root causes."

Human perversity can be compounded by vengeful ire; it cannot be eliminated. The way to get at terrorism is to enlist the self-interest of nations in the pursuit of common criminals, removing the political impact of the dead and reinforcing the will of the choir to cooperate.

Mr. Reagan's response has been a big bark. This risks stoking the fury of American impatience and scaring away allies and friends whose help is critical. It is unlikely to scare terrorists; it enhances them. Mr. Reagan has rightly said that indiscriminate retaliation would be a form of terrorism, too. His national security adviser, Robert McFarlane, said: "Revenge is not a policy." Neither is sounding off.

The New York Times

## The President Has A List of His Own

WASHINGTON — President Reagan flouted the State Department with his personal list of the top five terrorist nations — Iran, Libya, North Korea, Cuba and Nicaragua. State's official list omits Nicaragua and North Korea but includes Syria and South Yemen.

Mr. Reagan asserted that Nicaragua now plays host to Italy's Red Brigades, West Germany's Baader-Meinhoff gang, Basque terrorists, the Palestine Liberation Organization, the Irish Republican Army and Uruguay's Tupamaros. One wonders why this international star terrorist cast is whiling away its time in Managua, but that should make Europe safer this summer.

Asked about the omission of Syria and South Yemen, a White House spokesman said that there is "no definite connection" between the president's list and the official list. I suspect that there is even less of a connection between the president's speech and doing something specific to counter terrorism.

Lou Cannon, commenting in The Washington Post.

confident, and sometimes more arrogant, Japanese who have no memory of their country's obligations to America. I hope that their reaction to what they perceive as unreasonable U.S. pressure for trade concessions will not take the country on a dangerous course. I recall a remark a few years ago by a senior Japanese official to an American correspondent in Tokyo: "If you keep pressing too much, we can always switch sides."

I am still optimistic about the future. Many of the families of men killed in the Pacific showed no reservations about discussing the war on Japanese television. Some veterans of the battle of Leyte Gulf, one of the bitterest in the Pacific, went out of their way to help me with the project.

Even more encouraging is that for younger generations of Americans, Pearl Harbor is ancient history. They see the Japanese as competitors, not as enemies. I was relieved, and grateful, when father never returned from the air battle over Guadalcanal in 1942, "Hated" only destroys the person who carries it, not the target of his hatred. I hope this will be the spirit of America's relationship with Japan.

The Washington Post.

## LETTERS TO THE EDITOR

### Greeks Managed Alone

Regarding "Some Ways for America to Fight Back" (July 5):

Mr. Safire's opinion column contains biting criticism of the Greek government. The proper reply to this is that Greece and its government are not afraid to "go it alone," as the writer suggests they should be made to do. As a matter of fact we did go it alone; both in 1940 against fascism and in 1941 against Nazism and racism. We were not intimidated by the Axis, and we protected thousands of Jews during the German occupation.

Mr. Safire is ill-advised to try to blackmail us with the threat of economic warfare. Greece knows a

good deal about fighting alone for freedom and democracy.

MICHAEL J. PALAIOCOSTAS  
Athens

### Reformed or Recovered?

In an "American Topics" item about alcohol abuse (July 3) and again in the science report "Treated Alcoholics Unable to Drink Moderately" (July 4), you use the term "reformed alcoholics." This pernicious discredited myth that alcoholism is a character defect rather than an illness, and does a disservice to both practicing and recovered alcoholics.

CAROL EASTON  
London

## FROM OUR JULY 13 PAGES, 75 AND 50 YEARS AGO

### 1910: Streetcar Horses to Be Retired

NEW YORK — Horses are to disappear from the street railroads of New York City. Old fairy tale? Yes, but it's really true this time. It is hoped that the final labored trundle of the old gee-gee on the Third Avenue system will take place on September 30. Electric storage battery cars will replace the old ones. They will cost \$5,000 apiece. In experiments begun last November gasoline-driven cars were tried, but they cost \$8,500 apiece, and it was decided that their operating cost was higher than that of electric cars. The new cars will go on the



## ARTS / LEISURE

## Neglect of British Painting Means Bargains for Museums

*International Herald Tribune*

**L**ONDON — British painting has long suffered from the prejudice that affects all forms of British art save silver. Despite a dramatic turnaround in the early 1970s, it still has not caught up with the other great schools of European painting, except for Turner. This was demonstrated Wednesday at Sotheby's.

In no other category of Old Master paintings would it be possible for leading national institutions to

buy significant works for less than \$25,000, which happened twice Wednesday. The auction included a forceful portrait of a man in a red coat and waistcoat shown half length facing the viewer. The piercing look, only slightly toned down by a smile suggestive of good breeding rather than mirth, makes it a remarkable psychological study. Signed with the initials of the artist, Nathaniel Dance, it represents Thomas Mudge (1715-1794), one of the great clockmakers of the Georgian age; he invented the lever escapement ad gave the first detached-lever watch to King George III in 1769. The portrait must have been completed shortly after, for its mezzotint engraving by C. Townley is dated 1772. Sotheby's expert, James Miller, gave it an estimate of £10,000 to £15,000. It was knocked down at £14,000 to the Science Museum of London.

A few minutes later the Tate Gallery made a bargain on a portrait in oil on panel representing an unidentified sitter in the guise of a muse. Brilliantly done, with the cursive tendency toward elongation so characteristic of English portrait painting in the 1770s, it is attributed to Richard Cosway. The artist exhibited a number of semi-allegorical portraits at this period, such as "Portrait in the Character of Minerva," shown at the Royal Academy in 1770. The work bought by the Tate, a figure of a woman clad in nuptial and flowing drapery, lightly stepping forward between two pillars, is arresting. At £4,250 it would be difficult to get a better deal.

The true masterpiece in the sale, however, was of a very different order. It belongs in a category that might be called animal portraiture, in which the English surpassed all other European schools. John Wootton (1682-1764), one of the leaders in this art, is well known for his horse portraits and hunting scenes. He also did dogs, such as the work in Sotheby's sale, two animals standing out against the background of a wooded landscape. Signed in full, dated 1736, the large painting (65 by 70.5 inches, 166 by 180 centimeters) retained its original carved gilt frame. Commissioned by the Duchess of Marlborough, it shows a spaniel and a foxhound in Windsor Great Park with the castle faintly visible on the horizon. It had hung at Althorp since 1746 and did not leave the Spencer family until its transfer to Sotheby's paintings department this year.

Like all paintings that have virtually never been moved since they were executed, this has intact a subtlety in the color balance, with its original staining under the light varnish of early times, that seems miraculous. The painting, made glamorous by its provenance and historical documentation — the duchess refers to the dogs in her correspondence — is one of the more extraordinary animal portraits of its time. It could have been conventional or twice, but is neither. There is an air of knowing expectation about the two animals and a sense of mystery about the deep, receding forest.

The picture was knocked down at £143,000, within the expected bracket yet far below the price of a major painting of comparable importance from 17th-century Netherlands or 18th-century France.

Turning away from such major landmarks, there were other desirable pieces with the same glamorous and historic provenance — the collection of the Spencer family at Althorp. A portrait of Mary Masters (1635-1717), wife of Sir Richard Spencer of Offley, and her child John, painted in 1683 by John Riley, is recorded in the diary of Lady Spencer. Despite its formality, it is an excellent portrait. It sold for £5,280 — peanuts, though close to Sotheby's high estimate.

A good portrait of Sir William Waller done about 1648 by Cornelius Johnson was not overpriced at £5,280, paid by the National Portrait Gallery. The figure in armor may not be unforgettable, but Waller was an important political character. Having retired as a military commander in 1645 he became a leader of the Presbyterian party, and in 1659 he actively supported Charles II.

So little store is set by English portrait painting of this period that a few good pieces failed to find a buyer despite a noticeable effort by Sotheby's at giving realistic estimates. A portrait of William Estbury (1757-1833) (probably no relation, the auction house said) by Sir Thomas Lawrence was bought in at £6,000, slightly below the reserve. The preparatory study is full of life and deserved a better fate.

There could be no greater contrast to the lack of fervor with which English painting of this period is received than the extraordinary prices occasionally paid for silver, silver gilt or, as happened



Charity, a figure from the gold baptismal font, sold Thursday.

Thursday, for gold. True, the object was unique: The gold baptismal font, carrying the mark of the celebrated Paul Storr dating it to 1797-1798, is surrounded by an aura of mystery, though it had never left the Portland family until its sale at Christie's by Lady Anne Cavendish-Bentinck, daughter of the seventh Duke of Portland. It was commissioned for the christening of William Henry Cavendish-Dick Stock-Bentinck, grandson of the third duke. The very idea of a font made of solid gold rather than silver or silver gilt is extraordinary.

Charles Truman, who wrote the text for the hardbound, one-item catalog printed by Christie's, quotes the remark of E. Alfred Jones that "what is doubtless the only surviving example of an old English font of gold for private [as opposed to royal] baptisms is in the possession of the Duke of Portland at Welbeck Abbey."

Truman, quoting Mrs. Laurie, said Repton could not draw figures and probably produced only a sketch. The identity of the sculptor who made the wax models that would have been used for the superb figures remains a puzzle. The figures have an Italianate feel and strongly suggest the hand of a bronze-maker. At £880,000 — £950,400 with the 5 percent premium — the Portland font stands as perhaps the most expensive riddle ever in art-market terms.

■ Deposition on Christie's

Douglas C. McGill of The New York Times reported Thursday from New York:

A top official of Christie's said in a deposition three years ago that he told the company's chairman, John A. Floyd, "shortly after" a 1981

part in its execution. The design was conceived by all people, the landscape designer Humphrey Repton. This was discovered after Christie's catalog had been printed; on seeing a picture of the font, the English art historian Cedric Laurne, who did his university studies on Repton as a gardener and architect, remembered that Repton in his diary, published in 1803, claimed to have designed it, and described it in detail. Mrs. Laurie wrote about it to The Times. The resulting front-page article a few days before the auction gave a welcome boost to the piece.

Truman, quoting Mrs. Laurie, said Repton could not draw figures and probably produced only a sketch. The identity of the sculptor who made the wax models that would have been used for the superb figures remains a puzzle. The figures have an Italianate feel and strongly suggest the hand of a bronze-maker. At £880,000 — £950,400 with the 5 percent premium — the Portland font stands as perhaps the most expensive riddle ever in art-market terms.

■ Deposition on Christie's

Douglas C. McGill of The New York Times reported Thursday from New York:

A top official of Christie's said in a deposition three years ago that he told the company's chairman, John A. Floyd, "shortly after" a 1981

day in Newport and runs through July 28, is similar to one that has been held since the 1930s in Shimo da, Newport's sister city in Japan. Yoshio Sakuruchi, the former Japanese foreign minister, is expected to head a delegation of Japanese representatives who will take part in the two-week event.

Commodore Matthew Perry, a native of Newport, forged the treaty which begins Saturday,

anction that he had falsely reported the number of paintings sold.

David Bathurst, president of the New York branch of Christie's at the time of the auction, said Floyd took no action in the matter.

The deposition came to light Thursday when attorneys for the owner of the paintings, who had sued Christie's, called attention to it in response to a statement Wednesday by Floyd saying Bathurst took "full responsibility" for the false report.

Christie's said Thursday that it would have no immediate comment on the deposition.

Shortly after the 1981 auction, Bathurst announced that three Impressionist paintings had been sold for a total of \$5.6 million, while in fact one painting had been sold for \$2.2 million and the others did not attract large enough bids.

In sworn statements made as part of the suit, brought against Christie's in 1982, Bathurst, now chairman of Christie's London and New York operations, said he had told Floyd about the results of the auction shortly after the sale. He was answering questions from Robert Weiner, an attorney for Dmitry Jodidio, the consignor of the Impressionist paintings — eight in all — offered for auction in 1981.

In another part of his deposition, Bathurst indicated that shortly after the auction he also spoke about the false report to Christopher Burge, then a senior vice president and director of the fine arts department of Christie's and now the president of Christie's New York.

Last Wednesday, Jodidio's suit was dismissed in New York State Supreme Court in Manhattan by Judge Eugene R. Wolff. Weiner was pleased to submit new evidence in an effort to have the case reopened.

Angelo J. Aponte, the commissioner of the Department of Consumer Affairs in New York City, which represents auctioneers, said that his department was looking at the Christie's case "very seriously." He added that for the past several months the department had been investigating auction-house practices and was considering revising auction-house regulations.

## Doubt Cast on Attribution Of 'Helmet' to Rembrandt

*The Associated Press*

**B**ERLIN — One of West Berlin's most famous paintings, "The Man with the Golden Helmet," long attributed to Rembrandt, may have been painted by an unknown artist, according to an art expert.

Reinhard Grossmann, spokesman for the Prussian Institute of Cultural Property, said Thursday that Jan Kelch, an expert on Dutch painting, had examined the signature on the work and found convincing evidence "voiding further attribution of the painting to Rembrandt." More tests were being conducted, he said.

Grossmann said the initial tests indicated that the painting, which is in the Dahlem Museums, was the work of an unknown artist from about 1650. Experts are also examining other paintings thought to be by Rembrandt, he said. The Dutch master lived from 1606 to 1669.

The painting is being restored and the results of the tests will too early to lay all the cards on the table, he said.

Doubts about the origin of "The Man with the Golden Helmet" were voiced last spring by a Dutch curators commission.

## Kasdan's 'Silverado' Is a Tribute to Westerns

By Janet Maslin  
*New York Times Service***N**EW YORK — "Silverado" is

a sweeping, glorious-looking western that's at least a full generation removed from the classic films it brings to mind. Lawrence Kasdan, who produced, directed and co-wrote the film, doesn't seem to be commenting ironically on the western form. Nor is he determined to update it. He simply approaches it from a present-day standpoint.

And the result is an energetic revival with some significant differences in scale. "Silverado" is sufficiently modern to make its landscapes bigger, its people smaller and its moral polarities less powerfully distinct than those of simpler, more starkly beautiful westerns gone by.

"Silverado" reflects and encapsulates other movies, something Kasdan is fast refining into an art.

With an eye to the modern audience and its fleeting attention span, he makes the film big and tiresome. There are vast panoramas, frequent gunfights and a large assortment of handsome, lone-type heroes who manage, for the convenience and sheer photogenicity of it, to join up and travel together.

There are also just about all the stock characters — the crooked sheriff, the wise barmy, the impervious boy — associated with the genre. Kasdan pays no apparent heed to the danger of overloading the film in this way, or to the chance that shootouts at 15-minute intervals will diminish the impact

of the film's final, "High Noon"-style confrontation.

They include Paden (Kevin Kline), the drifter, first seen alone on a vast expanse of desert, sleeping in his long johns; Mal (Danny Glover), a black man who battles frontier racism and displays a touching love for his family; Jake (Kevin Costner), a classic rake and daredevil; and Jake's brother Emmett (Scott Glenn), a solemn cowboys.

Among the other principals are Brian Dennehy, who plays a corrupt sheriff and whose crafty, opaque gaze (here and in "Coon") is the wicked look of the season, and Linda Hunt, who brings immense reserves of grace and intelligence to the barmy's role. Less well used, though to evident fault of their own, are John Cleese as another sheriff and Jeff Goldblum as a traveling gambler. And Rosanna Arquette, who puts in a brief and uncomfortable appearance, has the hopeless job of answering a compliment with a stern "After a while, I won't be so pretty. But this land will be." The rest of the screenplay, by Kasdan and his brother Mark, is a good deal sprightlier.

Capsule reviews of other films recently released in the United States:

Janet Maslin on "Mad Max: Beyond Thunderdome":

"Mad Max," the hero of George Miller's post-nuclear fantasy film, assumes greater and greater mythic dimensions in the third film in the series. This is the most visually spectacular installment by far, with a few innovations far more elaborate than anything Miller (here directing with George Ogilvie) has attempted. It has shower stunts than its predecessors, and a better sense of humor. It also has Tua Turner, in chain-mail stockings, as Aunty Entity, whose machinations lead Max into a bee-hive-shaped arena where he must engage in a battle to the death while suspended by wires. Later, when the film puts Max in the wilds of Australia for an encounter with a tribe of primitive children, the story loses much of its momentum. As played by Mel Gibson, with the stolid world-weariness that has made him irresistible, Max seems even more recklessly nihilistic than he did in the second film.

(Paul Atanasio of The Washington Post, however, finds the film "all costumes and cute monsters and no story.")

Kevin Thomas of the Los Angeles Times on "Explorers":

Youngsters may forever be blowing bubbles, but there has never been one like the translucent sphere that the three young heroes unexpectedly generate from their homemade computer. This bubble can tear through walls and expand to contain a spacecraft assembled from junk. "Explorers," itself, is bubble-thin, but it glides gracefully on the charm of Ethan Hawke, River Phoenix and Jason Presson, and their vividly envisioned adventure in an outer space populated by aliens who have grown up on generations of TV reruns from Earth. It is also a gentle film, actually suitable for children. It is written by Eric Luke and directed by Joe Dante of "Gremlins," with whiz-bang visual effects by Industrial Light and Magic.

£1 Million for British Library

*The Associated Press*

**L**ONDON — The British Library said Thursday that it had received a gift of £1 million (\$1.36 million) from the Wolfson Foundation, a business trust, that would enable it to restore cuts planned for conservation and cataloging programs for smaller libraries at cathedrals, scientific institutes and like.

## INTERNATIONAL EDUCATION DIRECTORY

## BELGIUM

**THE E.E.C. SCHOOL ANTWERP AND BRUSSELS**  
The independent international school that caters to the community's needs of children of expatriates, of the U.S. and American staff members, expatriate parents and educators with their children, is now:  1st and 2nd grade  Primary School  American Secondary School  British G.C.E. curriculum through A-level

Our highly efficient use of funds keeps your tuition fees at a reasonable level: from Bf 65,000 to Bf 140,000 per annum

## THE E.E.C. SCHOOL

Amenalen 53 - 2000 Antwerp/Belgium  
Jacob Jordensstraat 75-79 - 1018 Antwerp/Belgium  
Rue Royale 302 - 1030 Brussels/Belgium  
Phone: 03/21 81 27 - 03/21 81 27  
Mr. J. Wells, Headmaster in 03/21 81 27  
03/21 81 82 - 03/238 10.82  
Registration daily all summer

## UNITED KINGDOM

**LL.B.**  
Bachelor of Law  
University of London (External)  
Full-time Law Degree Courses

Schiller International University  
Dept. LI, 31 Waterloo Road,  
London SW1X 8EE, U.K.  
Accredited Member AICS, Washington DC

**BUCKSWOOD GRANGE SUMMER SCHOOL '85**

• English Language Classes  
• Sports and Activities  
For boys and girls, 7-16

Uckfield, East Sussex  
Tel: (0825) 61666. Tlx: 943763 G

SWITZERLAND  
Deutsch lernen – in der Schweiz

In two or three three-month periods, the German for Foreign Nationals course of the Hochalpines Tochter-Institut Feten\* will teach enough German to deal with everyday situations. It is an excellent way for students who do not speak German and wish to enter the departments of our school to acquire the necessary language basic.

Optional final examination, the internationally recognized German exam of the Volkshochschulverbund (VHS Certificate).

For additional information, please contact:

Hochalpines Tochter-Institut Feten, Ext. 16, CH-7551 Feten, Switzerland, Telephone 0484/9022

## HOTEL &amp; TRAVEL AGENCY CAREERS

HOSTA Hotel & Tourism School, Léman, French-Switzerland

HOSTA Courses: Instruction in English:  
2½-year Diploma program:  
— Hotel Administration and commercial management (including training period)

— Hotel Administration (Reception and F & B) (also in German)

— Advanced Hotel Management

— Hotel Management (French)

— Official IATA/URFAA Travel Agent's Program

— Full sports facilities, especially ski and tennis.

Next courses start August 25, 1985. Write for full information to:

HOSTA, CH 1854 H LEYSIN, Tel.: 025/34.15.14. Telex: 456.122 CTO CH

## PRIVATE SCHOOLS IN SWITZERLAND

For all information please apply to our Educational Adviser: Mr. Paul A. Mayor.

SCHOLASTIC SERVICE "TRANSWORLD" - GENEVA

2 Rue de Vaudreuil-Savoyard. Phone: 44 15 65.



NYSE Most Actives					
VOL	HIGH	LOW	LAST	CHE.	
CHINM	3554	364	36	364	
ACI	2408	13	13	13	
NINDPS	2198	22	21	21	
TWA	1978	21	21	21	
AT&T	1978	21	21	21	
AMCI	1207	21	21	21	
Marilyn	1249	21	21	21	
PanAm	1052	21	21	21	
NFAP	10458	21	20	21	
USG	10002	59	57	58	
GMA	10002	59	57	58	
IBM	957	12	12	12	
AT&T	957	12	12	12	

Dow Jones Averages					
Open	High	Low	Last	Che.	
Indus	1336.13	1345.99	1326.75	1330.65	+ 0.70
Trans	677.43	679.25	677.27	678.25	+ 1.25
Util.	554.09	562.63	552.51	557.61	+ 1.28

NYSE Index					
Composite	112.21	111.98	112.23	112.14	- 0.14
Indust.	112.21	111.29	112.23	112.19	+ 0.20
Trans.	61.43	61.51	61.43	61.43	- 0.00
Utilities	554.09	562.63	552.51	557.61	+ 1.28

# Friday's NYSE Closing

Vol. of 4 P.M. 128,260,000  
Prev. 4 P.M. vol. 128,790,000  
Prev. consolidated close 146,022,000

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.  
*Via The Associated Press*

AMEX Diaries					
Class	Prev.				
Advanced	262				
Declined	217				
Unchanged	262				
Total Issues	787				
New Highs	15				
New Lows	15				
Volume up	15				
Volume down	15				

NASDAQ Index					
Close	Chg	Wk.	Mo.	Yr.	Avg.
Composite	302.29	+ 1.62	298.45	234.67	
Industrials	267.61	+ 1.48	262.95	207.09	
Trans.	260.31	+ 1.29	253.51	202.09	
Utilities	302.52	+ 1.11	298.53	234.67	
Finance	277.14	+ 0.72	263.19	198.21	
Trans.	268.14	+ 0.27	263.19	198.21	

AMEX Most Actives					
VOL	HIGH	LOW	LAST	CHE.	
CHINM	3554	364	36	364	
ACI	2408	13	13	13	
NINDPS	2198	22	21	21	
TWA	1978	21	21	21	
AT&T	1978	21	21	21	
AMCI	1207	21	21	21	
Marilyn	1249	21	21	21	
PanAm	1052	21	21	21	
NFAP	10458	21	20	21	
USG	10002	59	57	58	
GMA	10002	59	57	58	
IBM	957	12	12	12	
AT&T	957	12	12	12	

Dow Jones Bond Averages					
Close	Chg	Mo.			
Bonds	80.15	- 0.25			
Utilities	77.53	- 0.03			
Industrials	82.53	- 0.02			

NYSE Diaries					
Close	Chg	Mo.			
Advanced	571	- 27			
Declined	427	- 27			
Unchanged	262	- 27			
Total Issues	1,204	- 262			
New Highs	11	- 10			
New Lows	10	- 10			
Volume up	63,771,420	- 62,757,120			
Volume down	63,771,420	- 62,757,120			

Odd-Lot Trading in N.Y.					
Close	Chg	Mo.			
Buy Sales	128,111	- 1,111			
July 11	128,072	- 1,112			
July 10	128,074	- 1,112			
July 9	128,074	- 1,112			
July 8	128,074	- 1,112			
July 7	128,074	- 1,112			
July 6	128,074	- 1,112			
Included in the sales figures					

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.  
*Via The Associated Press*

Standard & Poor's Index					
High	Low	Clos.	Chg.		
Indust.	212.68	212.26	212.15	+ 1.25	
Trans.	212.73	212.45	212.35	+ 0.24	
Finance	212.32	212.24	212.27	+ 0.23	

AMEX Sales					
High	Low	Close	Chg.		
Div. Yld. PE	St.	Mo. High Low	Chg.		
12 Month Stock	Div. Yld. PE	Mo. High Low	Close Chg.		

AMEX Stock Index					
High	Low	Close	Chg.		
Div. Yld. PE	Mo. High Low	Close Chg.			

Most Actives	
AMERICAN	P-10
AMERICAN	P-11
AMERICAN	P-12
AMERICAN	P-13
AMERICAN	P-14
AMERICAN	P-15
AMERICAN	P-16
AMERICAN	P-17
AMERICAN	P-18
AMERICAN	P-19
AMERICAN	P-20
AMERICAN	P-21
AMERICAN	P-22
AMERICAN	P-23
AMERICAN	P-24

## Statistical Index

Interest rates P-10  
Money market P-11  
Corporate bonds P-12  
Corporate stocks P-13  
Currency rates P-14  
Commodities P-15  
Options P-16  
DTC stocks P-17  
Other markets P-18

SATURDAY-SUNDAY, JULY 13-14, 1985

## ECONOMIC SCENE

### Stockman's Hasty Exit Indicates Political Rift

By LEONARD SILK

New York Times Service

**N**EW YORK — David A. Stockman's departure from the Office of Management and Budget comes at a time when the White House, the Republican-led Senate and the Democratic-led House of Representatives are still struggling to put together a budget for the fiscal year 1986. Was this the right time for the acknowledged master of budget detail to leave the government for a job on Wall Street? Did he jump or was he pushed?

The official answer from Mr. Stockman's office is that he had made clear before the 1984 election that he intended to leave before the next budget cycle began. That happens in September, when the budget office submits its guidelines for the fiscal year 1987 budget to the departments and agencies, which then go back and forth with the president and the budget office over their programs and spending figures well into December.

The administration's budget is then put to bed over the Christmas vacation and published shortly after the start of the new year. But, with the administration and Congress in the throes of carpentering a framework for the 1986 budget, there was no obviously urgent reason for Mr. Stockman to pack his bags by the end of July.

**N**OR WAS there urgency on the side of his new employer, Salomon Brothers, the investment bankers. Henry Kaufman, a Salomon Brothers' director and its chief economist, said in an interview this week that Mr. Stockman would be "helpful in two areas — corporation and government finance."

He described the budget director as a "quick and disciplined learner and an intensive worker" who was very good on details. Mr. Kaufman said Mr. Stockman, who has not had previous experience in investment banking, would be expected to spend a while familiarizing himself with Salomon Brothers, and, he was confident, "would soon get to know our routines."

In any case, Mr. Stockman is not rushing to start his new work. The White House said he would take three months off to write a book about his experience in the administration.

But there are two factors in his recent White House experience that may explain Mr. Stockman's early departure: One was the flip about his speech before the board of the New York Stock Exchange, in which Mr. Stockman declared, among other things, that "we have increasingly resorted to squaring the circle with accounting gimmicks, evasions, half-truths and downright dishonesty in our budget numbers, debate and advocacy."

This was not the first time that he had given semi-public voice to his disquiet about the budget process and the administration's fiscal policy: He said after a report in The Atlantic of December, 1981 that he thought he would not be quoted until after he left office. The president simply took him "to the woodshed" over his confessions.

That no new budget director was in place to take Mr. Stockman's place further suggests that his departure was a hasty one, despite the president's warm words of appreciation.

Indeed, the second factor that may explain Mr. Stockman's hasty departure is the presence in the White House of a different chief of staff, Donald T. Regan, a tough disciplinarian who is taking hold of the budget negotiations for the president and does not appreciate rivalrous and public or semi-public voices coming from within the administration.

Edwin L. Dale Jr., the spokesman for the budget office, when asked who the new budget director was likely to be, replied that he did not know but said, "Don Regan will constitute a search committee of one" and would want "someone who will keep a lower profile than Dave Stockman."

Mr. Stockman's departure represents a key change in the character of the Reagan administration. "An era has ended,"

(Continued on Page 13, Col. 3)

Mr. Stockman felt at odds with his conscience in some official tasks.

The administration's budget is then put to bed over the Christmas vacation and published shortly after the start of the new year. But, with the administration and Congress in the throes of carpentering a framework for the 1986 budget, there was no obviously urgent reason for Mr. Stockman to pack his bags by the end of July.

**N**OR WAS there urgency on the side of his new employer, Salomon Brothers, the investment bankers. Henry Kaufman, a Salomon Brothers' director and its chief economist, said in an interview this week that Mr. Stockman would be "helpful in two areas — corporation and government finance."

He described the budget director as a "quick and disciplined learner and an intensive worker" who was very good on details. Mr. Kaufman said Mr. Stockman, who has not had previous experience in investment banking, would be expected to spend a while familiarizing himself with Salomon Brothers, and, he was confident, "would soon get to know our routines."

In any case, Mr. Stockman is not rushing to start his new work. The White House said he would take three months off to write a book about his experience in the administration.

But there are two factors in his recent White House experience that may explain Mr. Stockman's early departure: One was the flip about his speech before the board of the New York Stock Exchange, in which Mr. Stockman declared, among other things, that "we have increasingly resorted to squaring the circle with accounting gimmicks, evasions, half-truths and downright dishonesty in our budget numbers, debate and advocacy."

This was not the first time that he had given semi-public voice to his disquiet about the budget process and the administration's fiscal policy: He said after a report in The Atlantic of December, 1981 that he thought he would not be quoted until after he left office. The president simply took him "to the woodshed" over his confessions.

That no new budget director was in place to take Mr. Stockman's place further suggests that his departure was a hasty one, despite the president's warm words of appreciation.

Indeed, the second factor that may explain Mr. Stockman's hasty departure is the presence in the White House of a different chief of staff, Donald T. Regan, a tough disciplinarian who is taking hold of the budget negotiations for the president and does not appreciate rivalrous and public or semi-public voices coming from within the administration.

Edwin L. Dale Jr., the spokesman for the budget office, when asked who the new budget director was likely to be, replied that he did not know but said, "Don Regan will constitute a search committee of one" and would want "someone who will keep a lower profile than Dave Stockman."

Mr. Stockman's departure represents a key change in the character of the Reagan administration. "An era has ended,"

(Continued on Page 13, Col. 3)

Herald Tribune

# BUSINESS/ FINANCE

U.S. Stocks Report, Page 8

Page 9

## ECONOMIC SCENE

### Stockman's Hasty Exit Indicates Political Rift

By LEONARD SILK

New York Times Service

**N**EW YORK — David A. Stockman's departure from the Office of Management and Budget comes at a time when the White House, the Republican-led Senate and the Democratic-led House of Representatives are still struggling to put together a budget for the fiscal year 1986. Was this the right time for the acknowledged master of budget detail to leave the government for a job on Wall Street? Did he jump or was he pushed?

The official answer from Mr. Stockman's office is that he had made clear before the 1984 election that he intended to leave before the next budget cycle began. That happens in September, when the budget office submits its guidelines for the fiscal year 1987 budget to the departments and agencies, which then go back and forth with the president and the budget office over their programs and spending figures well into December.

The administration's budget is then put to bed over the Christmas vacation and published shortly after the start of the new year. But, with the administration and Congress in the throes of carpentering a framework for the 1986 budget, there was no obviously urgent reason for Mr. Stockman to pack his bags by the end of July.

**N**OR WAS there urgency on the side of his new employer, Salomon Brothers, the investment bankers. Henry Kaufman, a Salomon Brothers' director and its chief economist, said in an interview this week that Mr. Stockman would be "helpful in two areas — corporation and government finance."

He described the budget director as a "quick and disciplined learner and an intensive worker" who was very good on details. Mr. Kaufman said Mr. Stockman, who has not had previous experience in investment banking, would be expected to spend a while familiarizing himself with Salomon Brothers, and, he was confident, "would soon get to know our routines."

In any case, Mr. Stockman is not rushing to start his new work. The White House said he would take three months off to write a book about his experience in the administration.

But there are two factors in his recent White House experience that may explain Mr. Stockman's early departure: One was the flip about his speech before the board of the New York Stock Exchange, in which Mr. Stockman declared, among other things, that "we have increasingly resorted to squaring the circle with accounting gimmicks, evasions, half-truths and downright dishonesty in our budget numbers, debate and advocacy."

This was not the first time that he had given semi-public voice to his disquiet about the budget process and the administration's fiscal policy: He said after a report in The Atlantic of December, 1981 that he thought he would not be quoted until after he left office. The president simply took him "to the woodshed" over his confessions.

That no new budget director was in place to take Mr. Stockman's place further suggests that his departure was a hasty one, despite the president's warm words of appreciation.

Indeed, the second factor that may explain Mr. Stockman's hasty departure is the presence in the White House of a different chief of staff, Donald T. Regan, a tough disciplinarian who is taking hold of the budget negotiations for the president and does not appreciate rivalrous and public or semi-public voices coming from within the administration.

Edwin L. Dale Jr., the spokesman for the budget office, when asked who the new budget director was likely to be, replied that he did not know but said, "Don Regan will constitute a search committee of one" and would want "someone who will keep a lower profile than Dave Stockman."

Mr. Stockman's departure represents a key change in the character of the Reagan administration. "An era has ended,"

(Continued on Page 13, Col. 3)

Mr. Stockman felt at odds with his conscience in some official tasks.

The administration's budget is then put to bed over the Christmas vacation and published shortly after the start of the new year. But, with the administration and Congress in the throes of carpentering a framework for the 1986 budget, there was no obviously urgent reason for Mr. Stockman to pack his bags by the end of July.

**N**OR WAS there urgency on the side of his new employer, Salomon Brothers, the investment bankers. Henry Kaufman, a Salomon Brothers' director and its chief economist, said in an interview this week that Mr. Stockman would be "helpful in two areas — corporation and government finance."

He described the budget director as a "quick and disciplined learner and an intensive worker" who was very good on details. Mr. Kaufman said Mr. Stockman, who has not had previous experience in investment banking, would be expected to spend a while familiarizing himself with Salomon Brothers, and, he was confident, "would soon get to know our routines."

In any case, Mr. Stockman is not rushing to start his new work. The White House said he would take three months off to write a book about his experience in the administration.

But there are two factors in his recent White House experience that may explain Mr. Stockman's early departure: One was the flip about his speech before the board of the New York Stock Exchange, in which Mr. Stockman declared, among other things, that "we have increasingly resorted to squaring the circle with accounting gimmicks, evasions, half-truths and downright dishonesty in our budget numbers, debate and advocacy."

This was not the first time that he had given semi-public voice to his disquiet about the budget process and the administration's fiscal policy: He said after a report in The Atlantic of December, 1981 that he thought he would not be quoted until after he left office. The president simply took him "to the woodshed" over his confessions.

That no new budget director was in place to take Mr. Stockman's place further suggests that his departure was a hasty one, despite the president's warm words of appreciation.

Indeed, the second factor that may explain Mr. Stockman's hasty departure is the presence in the White House of a different chief of staff, Donald T. Regan, a tough disciplinarian who is taking hold of the budget negotiations for the president and does not appreciate rivalrous and public or semi-public voices coming from within the administration.

Edwin L. Dale Jr., the spokesman for the budget office, when asked who the new budget director was likely to be, replied that he did not know but said, "Don Regan will constitute a search committee of one" and would want "someone who will keep a lower profile than Dave Stockman."

Mr. Stockman's departure represents a key change in the character of the Reagan administration. "An era has ended,"

(Continued on Page 13, Col. 3)

Mr. Stockman felt at odds with his conscience in some official tasks.

The administration's budget is then put to bed over the Christmas vacation and published shortly after the start of the new year. But, with the administration and Congress in the throes of carpentering a framework for the 1986 budget, there was no obviously urgent reason for Mr. Stockman to pack his bags by the end of July.

**N**OR WAS there urgency on the side of his new employer, Salomon Brothers, the investment bankers. Henry Kaufman, a Salomon Brothers' director and its chief economist, said in an interview this week that Mr. Stockman would be "helpful in two areas — corporation and government finance."

He described the budget director as a "quick and disciplined learner and an intensive worker" who was very good on details. Mr. Kaufman said Mr. Stockman, who has not had previous experience in investment banking, would be expected to spend a while familiarizing himself with Salomon Brothers, and, he was confident, "would soon get to know our routines."

In any case, Mr. Stockman is not rushing to start his new work. The White House said he would take three months off to write a book about his experience in the administration.

But there are two factors in his recent White House experience that may explain Mr. Stockman's early departure: One was the flip about his speech before the board of the New York Stock Exchange, in which Mr. Stockman declared, among other things, that "we have increasingly resorted to squaring the circle with accounting gimmicks, evasions, half-truths and downright dishonesty in our budget numbers, debate and advocacy."

This was not the first time that he had given semi-public voice to his disquiet about the budget process and the administration's fiscal policy: He said after a report in The Atlantic of December, 1981 that he thought he would not be quoted until after he left office. The president simply took him "to the woodshed" over his confessions.

That no new budget director was in place to take Mr. Stockman's place further suggests that his departure was a hasty one, despite the president's warm words of appreciation.

Indeed, the second factor that may explain Mr. Stockman's hasty departure is the presence in the White House of a different chief of staff, Donald T. Regan, a tough disciplinarian who is taking hold of the budget negotiations for the president and does not appreciate rivalrous and public or semi-public voices coming from within the administration.

Edwin L. Dale Jr., the spokesman for the budget office, when asked who the new budget director was likely to be, replied that he did not know but said, "Don Regan will constitute a search committee of one" and would want "someone who will keep a lower profile than Dave Stockman."

Mr. Stockman's departure represents a key change in the character of the Reagan administration. "An era has ended,"

(Continued on Page 13, Col. 3)

Mr. Stockman felt at odds with his conscience in some official tasks.

The administration's budget is then put to bed over the Christmas vacation and published shortly after the start of the new year. But, with the administration and Congress in the throes of carpentering a framework for the 1986 budget, there was no obviously urgent reason for Mr. Stockman to pack his bags by the end of July.

**N**OR WAS there urgency on the side of his new employer, Salomon Brothers, the investment bankers. Henry Kaufman, a Salomon Brothers' director and its chief economist, said in an interview this week that Mr. Stockman would be "helpful in two areas — corporation and government finance."

He described the budget director as a "quick and disciplined learner and an intensive worker" who was very good on details. Mr. Kaufman said Mr. Stockman, who has not had previous experience in investment banking, would be expected to spend a while familiarizing himself with Salomon Brothers, and, he was confident, "would soon get to know our routines."

In any case, Mr. Stockman is not rushing to start his new work. The White House said he would take three months off to write a book about his experience in the administration.

But there are two factors in his recent White House experience that may explain Mr. Stockman's early departure: One was the flip about his speech before the board of the New York Stock Exchange, in which Mr. Stockman declared, among other things, that "we have increasingly resorted to squaring the circle with accounting gimmicks, evasions, half-truths and downright dishonesty in our budget numbers, debate and advocacy."

This was not the first time that he had given semi-public voice to his disquiet about the budget process and the administration's fiscal policy: He said after a report in The Atlantic of December, 1981 that he thought he would not be quoted until after he left office. The president simply took him "to the woodshed" over his confessions.

That no new budget director was in place to take Mr. Stockman's place further suggests that his departure was a hasty one, despite the president's warm words of appreciation.

Indeed, the second factor that may explain Mr. Stockman's hasty departure is the presence in the White House of a different chief of staff, Donald T. Regan, a tough disciplinarian who is taking hold of the budget negotiations for the president and does not appreciate rivalrous and public or semi-public voices coming from within the administration.

Edwin L. Dale Jr., the spokesman for the budget office, when asked who the new budget director was likely to be, replied that he did not know but said, "Don Regan will constitute a search committee of one" and would want "someone who will keep a lower profile than Dave Stockman."

Mr. Stockman's departure represents a key change in the character of the Reagan administration. "An era has ended,"

(Continued on Page 13, Col. 3)

Mr. Stockman felt at odds with his conscience in some official tasks.

The administration's







## 4 GATT Envoys Seek United Front

By Jane Scaberry  
*Washington Post Service*

**SAINT-SAINT MARIE, Can.** — The trade ministers of the United States, Japan, the European Community, and Canada began four days of meetings Friday to help devise a unified Western front on a new round of global trade talks.

But the United States may have complicated the discussions, designed to be informal and relatively problem-free, by acting earlier than expected on a trade dispute over Japanese high-technology products. The action involves an investigation of U.S. sales of Japanese semiconductors. It is being conducted by the U.S. trade representative, Clayton K. Yeutter, who is attending the Canada meeting.

The Canadian trade minister,

James Kelleher, who is host of the meeting, said Friday that he would not comment on actions of other officials.

Although trade problems will be discussed, the main purpose of this meeting is to find a consensus on proposals for discussion at the new round of talks for the General Agreement on Tariffs and Trade.

Progress on setting up the GATT talks has been hampered by the refusal of the French, at the seven-nation economic summit this spring, to agree to set a date for the new round. Several Third World countries are opposed to the new round because it threatens to open up trade in industries they want to protect.

The developing countries do not want to see trade opened in services, high technology or intellectual property rights and dispute settlements.

The Canadian trade minister,

said property, Mr. Kelleher said. The four ministers now holding talks are scheduled to discuss how they can make those trade topics more palatable to the Third World, he said.

Movement toward a new round of trade talks is important in helping to defuse pressures in Congress that could result in the passage of protectionist legislation this fall, trade experts said.

The ministers have divided eight subjects among themselves for discussions during their session.

Mr. Kelleher said the discussions on tariffs and services would be conducted by the European Community, subsidies and investment by the United States; intellectual property and high technology by the Japanese; and dispute settlements.

Management fees were not disclosed by the Bank of Tokyo, which is the sole lead manager. The Japanese banks range from major city banks to mutual banks making their first foreign currency loans.

### Japanese Banks Sign China Loan

*Reuters*

TOKYO — The Bank of China has signed for a \$2-billion, 10-year loan from a syndicate of 67 Japanese banks, the Bank of Tokyo Ltd. announced Friday.

The loan, repayable after a five-year grace period, will carry an interest rate 4% point over London Interbank Offered Rates in the first six years, rising to 4% point over Libor in the last four years, a bank spokesman said.

Management fees were not disclosed by the Bank of Tokyo, which is the sole lead manager. The Japanese banks range from major city banks to mutual banks making their first foreign currency loans.

Management fees were not disclosed by the Bank of Tokyo, which is the sole lead manager. The Japanese banks range from major city banks to mutual banks making their first foreign currency loans.

## Citicorp Hits on New Strategy for Investment Bank

(Continued from Page 9)  
and trading activities with its commercial lending.

Such a setup is similar to the operations of overseas banks, particularly in Britain, where corporate underwriting and lending activities are permitted under one roof.

"This is the first year that a lot of commercial banks are going out of their way to say they are in the investment banking business," said Richard Fredericks, a bank analyst with Montgomery Securities.

Analysts say the U.S. Supreme Court's recent decision to exclude county center banks from regional banking combinations thereby limiting some avenues of expansion has made investment banking even more appealing.

Citicorp already is believed to be the leading investment banker in several South American countries, including Venezuela, Chile and Brazil where it helped pioneer corporate bonds. In recent years, the number of countries in which Citicorp does significant investment business has doubled to 36.

Citicorp's latest target is Britain, where it has taken advantage of regulatory changes by making a series of acquisitions of major securities trading and brokerage firms. Three weeks ago, Citicorp International Bank, based in London, changed its name to Citicorp Investment Bank.

The new name is in line with a plan to triple the London group's capital to about \$300 million over the next year and to become a major player in gilt-edged securities, venture capital, financial futures, brokerage and international bond financing. Citibank would then be in the same league as London's largest merchant banks, such as Kleinwort, Benson Ltd.

According to Lawrence Cohn, a banking analyst with Dean Witter Reynolds Inc., Citicorp "has a history of fits and starts in investment banking." Its earlier forays, which were concentrated in the United States, were somewhat unsuccessful in several key areas.

The bank holding company tried for years, for example, to become a major force in private placements. Private placements are the sales of corporate debt and preferred stock to a small group of institutional investors, and corporate mergers and acquisitions. Despite Citicorp's vast network of corporate contacts, however, it has yet to become a firm leader in either field.

One problem that has plagued the company is its failure to match Wall Street's top salaries. In addition, the bank's exclusion from corporate underwriting in the United States has kept it from becoming expert at pricing such securities, a factor that has damaged it in the private placement area.

Even in an area where Citibank is a recognized leader, arrangement of interest-rate swap transactions for corporations trouble has developed lately. Several key members of its team have been recruited away from the bank. Stephanie Warren, for example, who has supervised the New York swaps operation, has joined Security Pacific National Bank.

Nonetheless, "Citicorp clearly believes investment banking will pay off big in future years," Mr. Cohn said.

One way to determine where Citicorp is placing its bets, he said, is to see which area of the bank has been allowed the biggest increase in expenses.

Expenses at Citicorp's Institutional Bank, its corporate and government lending arm, grew by 10

percent in the first quarter. By contrast, expenses at the individual bank, its consumer operation, increased 21 percent, and expenses at the Investment Bank 28 percent.

It was Citicorp's former chairman, Walter R. Wriston, who began the push into investment banking, and the effort has been continued under John S. Reed, one of the major participants in the U.S. market.

About half of the Investment Bank's earnings stem from U.S. basic activities. Aside from government securities trading, Citicorp has a large venture capital operation where it stakes its own money and is a major underwriter of municipal securities.

Citicorp's operation includes a multibillion-dollar pension fund management operation as well as an international private banking

operation for individuals with high net worths.

Some 1,200 of the Investment Bank's 6,000 employees work for the private banking operation. In addition, a big chunk of the investment banking group's capital is linked to government securities trading, where Citicorp is one of the major participants in the U.S. market.

About half of the Investment Bank's earnings stem from U.S. basic activities. Aside from government securities trading, Citicorp has a large venture capital operation where it stakes its own money and is a major underwriter of municipal securities.

One problem that has plagued the company is its failure to match Wall Street's top salaries. In addition, the bank's exclusion from corporate underwriting in the United States has kept it from becoming expert at pricing such securities, a factor that has damaged it in the private placement area.

Even in an area where Citibank is a recognized leader, arrangement of interest-rate swap transactions for corporations trouble has developed lately. Several key members of its team have been recruited away from the bank. Stephanie Warren, for example, who has supervised the New York swaps operation, has joined Security Pacific National Bank.

The problem that Mr. Stockman faced is one that other exceptional technicians and professionals have met in government: How to do a professional job and satisfy both one's political masters and one's conscience. Mr. Stockman clearly felt in conflict with his conscience, and sought to appease it with off-the-record or not-yet-for-publication remarks.

Mr. Reagan, who has already made two appointments to the Fed of governors, Preston Martin and Martha R. Seger, thus can determine the character of the board by the appointments soon to come.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The problem that Mr. Stockman faces is one that other exceptional technicians and professionals have met in government: How to do a professional job and satisfy both one's political masters and one's conscience. Mr. Stockman clearly felt in conflict with his conscience, and sought to appease it with off-the-record or not-yet-for-publication remarks.

Mr. Reagan, who has already made two appointments to the Fed of governors, Preston Martin and Martha R. Seger, thus can determine the character of the board by the appointments soon to come.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The problem that Mr. Stockman faces is one that other exceptional technicians and professionals have met in government: How to do a professional job and satisfy both one's political masters and one's conscience. Mr. Stockman clearly felt in conflict with his conscience, and sought to appease it with off-the-record or not-yet-for-publication remarks.

Mr. Reagan, who has already made two appointments to the Fed of governors, Preston Martin and Martha R. Seger, thus can determine the character of the board by the appointments soon to come.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley has announced his resignation effective Sept. 1, and the term of J. Charles Peltier expires next January. Both are professional, middle-of-the-road economists with strong loyalties to the chairman, Paul A. Volcker.

The same issue exists at the Federal Reserve Board, where Lyle E. Gramley



## SPORTS

# Sports Boom in West Germany

**Becker, Langer Latest Indications of Growing Athletic Success**By George Bochner  
*The Associated Press*

**FRANKFURT** — After years of being overshadowed by East Germany's state-run program, West Germany has gained the sports spotlight, emerging as a nation of top athletes.

The latest success: Wimbledon champion Boris Becker.

Always recognized as a powerhouse in soccer, track and field and skiing, West Germany now has two champions in international sports it never really excelled in previously: tennis and golf.

Becker and Bernhard Langer, the 1985 Masters winner, are the country's newest sports heroes.

Becker, at age 17, became the first Ger-

man, youngest player and first non-seed to win the Wimbledon men's singles title last Sunday. By doing so, he sent West Germany into patriotic euphoria.

"I think this will change tennis in Germany now. Maybe now they have an idol," he said after beating Kevin Curren for the title.

West Germans devoutly followed Becker's march through the prestigious grass-court tournament. On the day of the final, streets were empty as fans stayed home to watch the match on television.

The victory brought congratulatory cables from Chancellor Helmut Kohl and President Richard von Weizsaecker and front-page photographs of the grinning, red-haired teenager kissing his trophy.

The mayor of Becker's hometown of Leimen, near Heidelberg, said he had answered telephone calls around the clock from people wanting to know more about the new star.

"This is something we needed," said Dietrich Klein, 39, a tool and die salesman from Frankfurt, on his way to pick up his 13-year-old son at tennis practice.

[The D.C. National Bank Tennis Classic in Washington, D.C., announced Thursday that Becker had withdrawn from that tournament because of an ankle injury.

[Becker has been vacationing in Monaco, where a doctor told him to stay off his swollen left ankle for 5 to 10 days, said Henry Breitmeyer, director of the tournament.]

Friday, more than 25,000 cheering people gave Becker a hero's welcome in Leimen, population 17,000, as he rode in a motorcade through streets festooned with flowers, flags and welcome-home signs.

Langer made it two in a row after the Masters by winning the Heritage Classic at Hilton Head Island, South Carolina. Those triumphs, in events usually dominated by U.S. stars, took even West Germans by surprise.

After the Masters, Langer said he hoped "thousands and thousands of youngsters see this and take up golf so that we can produce some more champions from that part of the world."

West Germany's rise in sports was signaled at the 1984 Olympics in Los Angeles. It won 59 medals, second to the United States, although in the absence of the powerful

teams from the boycotting Soviet-bloc countries.

West Germany started competing in the Olympics as a separate nation in 1968. Until then, it and East Germany sent joint teams to the Games. The dominance of the state-sponsored East German athletes in Olympic trials prompted West Germany to stop the practice.

One of the stars in Los Angeles was West German swimmer Michael Gross, 21, who won two golds and a silver medal and set two world records.

"The Albatross" splashed his way into the headlines again when he broke two more world records in late June. Gross now holds four world records and is recognized as the world's top freestyle and butterfly swimmer.

In women's tennis, West Germany has two players ranked among the world's top 10: Claudia Kohde-Kilsch and Steffi Graf.

Graf, 15, has been touted by some experts as a possible successor to Martina Navratilova or Chris Evert Lloyd, who have long dominated the sport.

With a population of 60 million, West Germany has 1.64 million tennis players registered in 7,787 clubs. That figure is nearly three times more than it was 10 years ago.

Becker's success is historical. We couldn't have done more for advertising tennis with the most expensive publicity campaign," said Christian Thiemann, spokesman for the German Tennis Federation.

West Germany's national soccer team is one of the favorites to win next year's World Cup in Mexico, probably the most cherished trophy in international sports. West Germany won the 1954 and 1974 tournaments.

The country also is beginning to make a mark in basketball.

Dietlef Schrempp, who played for the University of Washington, and Uwe Blah, who played at Indiana University, recently were taken by the Dallas Mavericks in the National Basketball Association draft.

Manfred Peizer, a spokesman for the West German Basketball Association, said there are at least 50 other German basketball players scattered throughout the United States. He said 15 specifically were sent there to sharpen their game and return home to play on West Germany's national team.

Boris Becker: Wimbledon champ

## SPORTS BRIEFS

**Himault's Team Loses Suit to Rival**

**PARIS** (UPI) — Four-time Tour de France champion Bernard Hinault, his agent and the La Vie Claire health food company were jointly ordered Friday to pay 700,000 francs (\$75,000) in damages to a rival health food concern that used to sponsor the French cyclist.

A Paris court ruled in favor of the Vitegummie company, which claimed Hinault broke an endorsement contract when he left the Renault team in 1984 to join the La Vie Claire team. The verdict was appealed.

**Baseball Talks Canceled Until July 25**

**NEW YORK** (AP) — Representatives of baseball management and the players' association, who have been negotiating a new collective bargaining agreement since November, met for one hour Thursday and canceled a session that had been scheduled for Friday.

They will meet again July 25, after the All-Star break and after the union meets Monday in Chicago to set a strike date.

**U.S. Women Take Right to Exercise**

**HARTSDALE**, New York (UPI) — Women have become a majority of new participants in running, weight training, physical conditioning and fitness bicycling in the United States, according to a survey.

Some of the findings by American Sports Data Inc.: Three out of five new physical conditioning and weight training participants and seven out of every 10 new fitness bicyclists were women; of the adults who have taken up running or jogging in the past year, 57 percent are female.

**For the Record**

Chris Nicholl, former Northern Ireland international soccer defender, signed a three-year contract to manage first division Southampton. (UPI)

San Diego Padres officials, saying they want to maintain a family atmosphere at the team's home games, have asked the stadium concessionaire to halt beer sales during the late innings. (AP)

**SCOREBOARD****Baseball****Thursday's Line Scores**

		NATIONAL LEAGUE			AMERICAN LEAGUE		
		W	L	Pct.	W	L	Pct.
Los Angeles	680 680	200	198	.5	7	0	1.000
Chicago	680 680	210	191	.5	5	1	.833
Wich. Hovell (7) on Yester.; Fortord, Pfeifer, and Davis, W—Kohler, S—L. Rondeau, 2d, St. Sorenson (9).							
St. Louis	211 200	800	200	.5	18	1	.864
Kansas City	211 200	800	200	.5	18	1	.864
Philadelphia (6) and Krol, W—Hart, McWilliams, Gossen, S—Penc. W—Deacon, 2d, L—Ikruck, 57, HR—Son Francisco, Brandy (11). Pittsburgh, Ray (11), Montreal, 2d, St. L.—Rosen, 5, 11, 1.							
Baltimore	200 200	800	200	.5	18	1	.864
St. Louis	200 200	800	200	.5	18	1	.864
Houston	200 200	800	200	.5	18	1	.864
Atlanta	200 200	800	200	.5	18	1	.864
Denver	200 200	800	200	.5	18	1	.864
Seattle	200 200	800	200	.5	18	1	.864
Montreal	200 200	800	200	.5	18	1	.864
St. Louis	200 200	800	200	.5	18	1	.864
Chicago	200 200	800	200	.5	18	1	.864
St. Louis	200 200	800	200	.5	18	1	.864
Atlanta	200 200	800	200	.5	18	1	.864
Montreal	200 200	800	200	.5	18	1	.864
St. Louis	200 200	800	200	.5	18	1	.864
Chicago	200 200	800	200	.5	18	1	.864
St. Louis	200 200	800	200	.5	18	1	.864
Atlanta	200 200	800	200	.5	18	1	.864
Montreal	200 200	800	200	.5	18	1	.864
St. Louis	200 200	800	200	.5	18	1	.864
Chicago	200 200	800	200	.5	18	1	.864
St. Louis	200 200	800	200	.5	18	1	.864
Atlanta	200 200	800	200	.5	18	1	.864
Montreal	200 200	800	200	.5	18	1	.864
St. Louis	200 200	800	200	.5	18	1	.864
Chicago	200 200	800	200	.5	18	1	.864
St. Louis	200 200	800	200	.5	18	1	.864
Atlanta	200 200	800	200	.5	18	1	.864
Montreal	200 200	800	200	.5	18	1	.864
St. Louis	200 200	800	200	.5	18	1	.864
Chicago	200 200	800	200	.5	18	1	.864
St. Louis	200 200	800	200	.5	18	1	.864
Atlanta	200 200	800	200	.5	18	1	.864
Montreal	200 200	800	200	.5	18	1	.864
St. Louis	200 200	800	200	.5	18	1	.864
Chicago	200 200	800	200	.5	18	1	.864
St. Louis	200 200	800	200	.5	18	1	.864
Atlanta	200 200	800	200	.5	18	1	.864
Montreal	200 200	800	200	.5	18	1	.864
St. Louis	200 200	800	200	.5	18	1	.864
Chicago	200 200	800	200	.5	18	1	.864
St. Louis	200 200	800	200	.5	18	1	.864
Atlanta	200 200	800	200	.5	18	1	.864
Montreal	200 200	800	200	.5	18	1	.864
St. Louis	200 200	800	200	.5	18	1	.864
Chicago	200 200	800	200	.5	18	1	.864
St. Louis	200 200	800	200	.5	18	1	.864
Atlanta	200 200	800	200	.5	18	1	.864
Montreal	200 200	800	200	.5	18	1	.864
St. Louis	200 200	800	200	.5	18	1	.864
Chicago	200 200	800	200	.5	18	1	.864
St. Louis	200 200	800	200	.5	18	1	.864
Atlanta	200 200	800	200	.5	18	1	.864
Montreal	200 200	800	200	.5	18	1	.864
St. Louis	200 200	800	200	.5	18	1	.864
Chicago	200 200	800	200	.5	18	1	.864
St. Louis	200 200	800	200	.5	18	1	.864
Atlanta	200 200	800	200	.5	18	1	

## ART BUCHWALD

**Building Up Flight Miles**

**WASHINGTON** — I see where several airline companies are being taken over. Frankly, I don't know why anyone would want to buy an airline nowadays. The way they're handing out free tickets I predict in two years everyone will be flying for nothing anyway.

What happened was that some sales promotion genius thought up the idea of awarding "frequent flyer" mileage credits equal to the number of miles the passenger flew. These credits, when built up, could then be exchanged either for free flights or upgrading to a better class of travel. For example, if you earn a credit of 60,000 miles you can fly coach to any destination in the United States; for 100,000 miles you can fly first class. And for 150,000 miles you get to take your entire family, including the dog, anywhere in the world.

If the airlines had just stuck to the original idea it would have made some sense. But they started giving out "bonus" miles, not just for flying but for renting a car, staying in a certain hotel or eating a particular kind of pizza 30 days in a row.

I hadn't realized how easy it was to build up bonus mileage until I went into an airline office on Fifth Avenue in New York last week.

I told the lady behind the counter, "I'd like to ask about a trip to Paris."

The lady handed me a coupon. "What's this?" I asked.

"You're entitled to 5,000 bonus miles for coming in and inquiring about our flight to Paris."

"That's wonderful," I declared.

**Tintin Memorial**

*Agence France-Presse*

**BRUSSELS** — Funds are being collected for a 10-meter-high (33-foot) statue of the Belgian cartoon character Tintin and his dog Milou between Brussels and the international airport at Zaventem by the Friends of Hergé, the pen name of Tintin's creator, Georges Remi.



Buchwald

Then she gave me another coupon for 5,000 bonus miles.

"This is for wearing a tie. Are you an American?" she asked.

"Of course I am," I said hotly.

"Then I can credit you with 10,000 more bonus miles. Do you have a hotel room in Paris?"

"Yes, here is my confirmation."

"People with confirmed Paris hotel rooms are entitled to 7,500 miles."

"Listen, can we forget all this mileage stuff? I want to buy a ticket."

"Are you going to pay by check or credit card?"

"What's the difference?"

"If you pay by check you will receive 10,000 extra miles, while a credit card only entitles you to 9,000."

"Okay, I'll pay by check. Are there any seats available?"

"Smoking or nonsmoking?"

"She gave me a bonus coupon for 13,500 miles."

□

I was getting embarrassed. "I don't want to look a gift horse in the mouth, but I haven't even taken off yet and you're crediting me with thousands of flying miles. I feel like a fraud."

"It's not out of my pocket," she said. "I'm just following instructions."

The airline business is very competitive, and if we didn't issue extra bonus miles you'd buy your flight from one of our competitors."

"Well, as long as you put it that way, I guess I'll accept. I'll be returning on Aug. 6."

Damned if she didn't give me another coupon.

Fifteen minutes later she handed me my ticket.

"I got out my checkbook. "How much do I owe you?"

She hit the keys on her computer several times and then said, "There's no charge. You have even credited miles now to entitle you to a free round-trip ticket to Paris."

I took the ticket and shoved it in my pocket. "Can I ask you one question? How's business?"

"Wonderful," she said. "Before our frequent flyer bonus program we were carrying less than 25 percent passenger loads. Now that we're offering free flights you can't get a seat on our planes."

□

The ruling comes as the Christian Democrats, Socialists and three small centrist parties are negotiating the formation of a new city government following Communist losses in municipal voting in May. The Communists have held

**A Kibbutznik In the Rockies**

By Herbert Mitgang  
*New York Times Staffer*

**N**EW YORK — Amos Oz, the Israeli novelist and essayist, dropped off some aphorisms and observations the other day while passing through New York on the way to Colorado, where he has been teaching and absorbing the American scene through the keen vision of a kibbutznik in the Rockies.

In carefully chosen, fluent sentences, as if mentally translating from Hebrew into English, he talked about the six years of word-sculpting that went into his new novel, "A Perfect Peace" (a Helen and Kurt Wolff Book/Harcourt Brace Jovanovich). He also discussed writers and students in the Middle East and Middle West, and a surprising personal influence — Sherwood Anderson.

"A Perfect Peace," the story of a family living on a kibbutz in the early days of Israel, is concerned with the clash of immigrants and their native-born children. "The crux of the novel," Oz said, "is the marvelous dream of the idealistic pioneers, those old tyrants who wanted to revolutionize the human psyche and the nature of love. Somehow, their dream still hover in the air." The title derives from a prayer said at graveside. "It's not simply a nostalgic novel about fathers and sons," he said, "but about yearnings."

Oz said there was a subtext to "A Perfect Peace," the story of a family living on a kibbutz in the early days of Israel, is concerned with the clash of immigrants and their native-born children. "The crux of the novel," Oz said, "is the marvelous dream of the idealistic pioneers, those old tyrants who wanted to revolutionize the human psyche and the nature of love. Somehow, their dream still hover in the air." The title derives from a prayer said at graveside. "It's not simply a nostalgic novel about fathers and sons," he said, "but about yearnings."

Oz said he found an affinity between his writing, which is rooted in Israel no matter where he writes, and that of Central and South American novelists with their emotional tales about the



Herbert Mitgang/The New York Times

**Amos Oz: Chipping away.**

He and his family live in a small house that overlooks cultivated fields and a line of sentinel trees on the horizon of the Judean hills.

"Writing a poem is like a short love affair, writing a short story like a long love affair, writing a novel is like a marriage," Oz said.

"A novel you have to make a half-million decisions, from the choice of an adverb to where to place a comma, I can have a pang of self-indulgence over a single comma. I write my drafts in long-hand — I need the sensual contact of paper, pen and ink and my fingers. Then I edit it out on the typewriter."

Oz said he found an affinity between his writing, which is rooted in Israel no matter where he writes, and that of Central and South American novelists with their emotional tales about the

extraordinariness of ordinary life. "The name of the game for me is shameless, gutsy storytelling," he said. "The Latin American novelists have the courage to tell a story as if nobody had ever told a story before and never had a story before."

The true riches for him as a writer, he said, are his neighbors on the kibbutz. "I know three or four hundred very different people intimately," he said. "I know their secrets. The penalty is that they know a lot more about me than I'd like them to know — but that's only fair. After dinner, I sit down with these successful old revolutionaries who have outlived their revolutions and their success. They tell me their life stories, making me vow that I will not use them and secretly hoping, of course, that I will. I have a neighbor who combs his hair whenever he passes my studio. He tells me that in case I see him and use him as a character, he wants his hair combed."

For the past two semesters, Oz has taught writing at Colorado College in Colorado Springs. He said he and his wife would return to Israel with warm feelings about the region.

"It's still a little too early for me to write about Colorado," Oz said. "I need to get away from Israel to write about Israel. I need to get away from Colorado to write about Colorado. When I do journalistic writing it's for range, and nothing outraged me in Colorado. Coloradans are a beautiful place. I taught a couple of courses in literature and a brief course in politics called 'Israel and Palestinians.' I tried to convey to my students that the situation resembles a Greek tragedy rather than a Wild West film."

**PEOPLE****Steaming Over the Savoy**

The owners of some of the world's best-known hotels have been lashing out at one another in a long-running struggle for the Savoy in London. The Savoy directors, headed by the banker Sir Anthony Tuke, put an advertisement in The Times and Financial Times newspapers accusing a rival tycoon, Lord Forte, of the Trusthouse Forte group, of publicly denigrating the Savoy group while privately trying to buy control of it on the stock market. The directors, headed by the banker Sir Anthony Tuke, put an advertisement in The Times and Financial Times newspapers accusing a rival tycoon,

Lord Forte, had of the Trusthouse Forte group, of publicly denigrating the Savoy group while privately trying to buy control of it on the stock market. The directors, headed by the banker Sir Anthony Tuke, put an advertisement in The Times and Financial Times newspapers accusing a rival tycoon,

Prince Sultan Salman Abdul Aziz al-Saud, a nephew of King Fahd, returned to Saudi Arabia on Thursday evening to a rapturous welcome in his native city, Riyadh. Crowds lined the route from the airport to the Riyadh sports stadium to cheer the prince. Riyadh officials have decided to name a city intersection "Space Place," and the Saudi post office has issued a stamp bearing the prince's effigy.

□

The Arab world's first astronaut, Prince Sultan Salman Abdul Aziz al-Saud, a nephew of King Fahd, returned to Saudi Arabia on Thursday evening to a rapturous welcome in his native city, Riyadh. Crowds lined the route from the airport to the Riyadh sports stadium to cheer the prince. Riyadh officials have decided to name a city intersection "Space Place," and the Saudi post office has issued a stamp bearing the prince's effigy.

□

Prince John Paul II will meet with Moslem youths in Morocco, beatify a nun in Zaïre and visit one of Kenya's most popular wildlife viewing areas during his 12-day tour of seven African countries, starting Aug. 7. The itinerary released Friday by the Vatican showed that the pontiff would also consecrate the Ivory Coast's new Roman Catholic cathedral in Abidjan, attend an African eucharistic congress, visit United Nations offices in Nairobi and ordain priests in Togo. It will be the pope's 27th trip abroad, and his third to Africa.

□

A spokeswoman for Frank Sinatra, on the singer's ninth wedding anniversary, denied reports in two New York newspapers that Sinatra and his fourth wife, Barbara, were on the verge of breaking up. Liz Smith, a columnist for the Daily News, said simply that the marriage was unraveling. The New York Post said that when Barbara Sinatra returned from the Wimbledon tennis tournament, which she attended without Sinatra, she contacted Arthur Crowley, the lawyer who represented Joanna Caruso in her lengthy divorce suit against the entertainer Johnny Carson. But Sinatra's spokeswoman, Karen Reynolds, said, "There is no truth to the irresponsible press reports about the Barbara and Frank Sinatra marital status. This evening, July 11, the day of their ninth anniversary, the Sinatras will celebrate with friends at their home."

□

The American film "A Soldier's Story" shared first place with Soviet and Greek films depicting the inhumanity of war at the 14th international film festival in Moscow, which ended Friday. Tass said that the festival was attended by filmmakers from 107 countries and that the winners were chosen from 42 feature entries. Sharing the gold prize with Norman Jewison's stark drama of murder in a black U.S. Army unit during World War II were the Soviet film "Go and See" and "The Descent of the Nine" from Greece. "A Soldier's Story" was nominated for four Academy Awards, including best picture and best supporting actor, but did not

win.

□

A spokesman for Frank Sinatra, on the singer's ninth wedding anniversary, denied reports in two New York newspapers that Sinatra and his fourth wife, Barbara, were on the verge of breaking up. Liz Smith, a columnist for the Daily News, said simply that the marriage was unraveling. The New York Post said that when Barbara Sinatra returned from the Wimbledon tennis tournament, which she attended without Sinatra, she contacted Arthur Crowley, the lawyer who represented Joanna Caruso in her lengthy divorce suit against the entertainer Johnny Carson. But Sinatra's spokeswoman, Karen Reynolds, said, "There is no truth to the irresponsible press reports about the Barbara and Frank Sinatra marital status. This evening, July 11, the day of their ninth anniversary, the Sinatras will celebrate with friends at their home."

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□

□